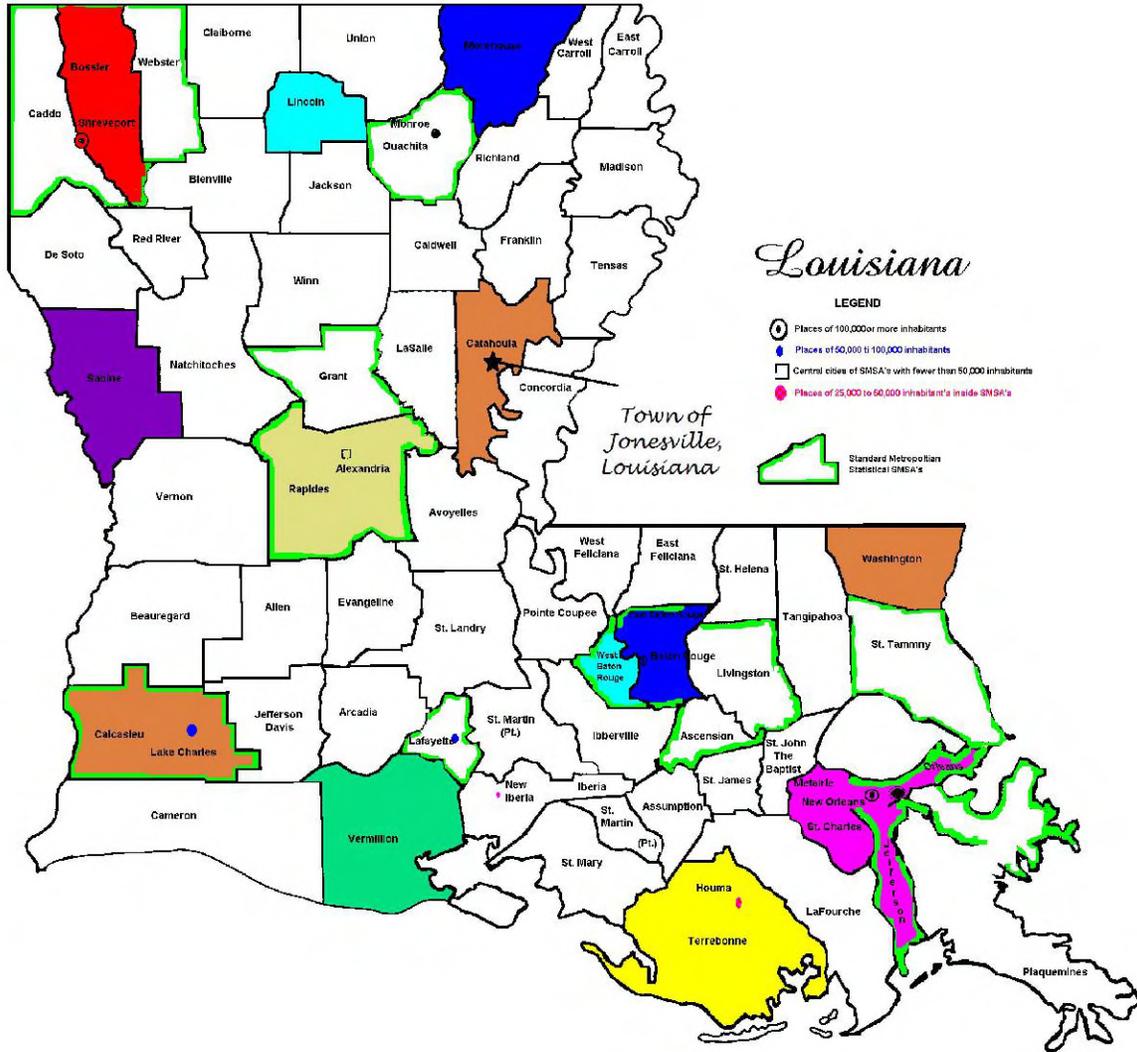


TOWN OF JONESVILLE, LOUISIANA

Annual Financial Statements

June 30, 2023

TOWN OF JONESVILLE, LOUISIANA



The Town of Jonesville was incorporated under the Lawrason Act and operates under the Mayor-Town Council form of government. The Town provides the following significant services to its residents as provided by its charter: public safety (police and fire), streets, sanitation, recreation, public improvements, planning and zoning, provision of gas, electric, and water utilities, sewer services, airport facilities, and general administrative functions, including coordination of related services with parish, state and federal governing bodies

TOWN OF JONESVILLE, LOUISIANA
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June 30, 2023

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Association of
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INDEPENDENT AUDITOR'S REPORT

Honorable Loria Hollins, Mayor
& Members of the Town Council
Jonesville, LA

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Jonesville, Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Jonesville, Louisiana, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Jonesville and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Jonesville, Louisiana's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Jonesville, Louisiana internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Jonesville's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the

basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Jonesville's basic financial statements. The Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer, and Justice System Funding Schedule are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation of Benefits and Other Payments to Agency Head or Chief Executive Officer and Justice System Funding Schedule are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer, and Justice System Funding Schedule are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2024, on our consideration of the Town of Jonesville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Jonesville's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated February 26, 2024, on the results of our statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

The Vercher Group

Jena, Louisiana
February 26, 2024

Town of Jonesville

PO Box 428

Jonesville, Louisiana 71343

Tel: (318) 339-8596

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town, we offer readers of the Town of Jonesville's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the Town's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999.

FINANCIAL HIGHLIGHTS

Governmental Funds

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$5,534,712 (*net position*). This is a \$148,192 increase from last year.
- The Town had total revenue of \$2,301,708 in which \$538,880 came from taxes. This is a \$226,713 decrease from last year's revenues, mainly due to a decrease in capital grants in the amount of \$617,503.
- The Town had total expenditures of \$2,310,036, which is a \$90,368 decrease from last year. This decrease is due mainly to a decrease in capital outlay in the amount of \$263,181.

Enterprise Funds

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$14,192,834 (*net position*). This is a \$96,060 decrease from last year.
- The Town had total revenue of \$4,466,201, including operating revenues of \$4,417,723, non-operating revenues of \$353, and capital contributions of \$48,125. This is a \$560,287 increase from last year. This increase is due mainly to an increase in electric and gas sales.
- The Town had total expenses of \$4,023,899, including operating expenses of \$3,931,632 and non-operating expenses of \$92,267. This is a \$239,988 increase from last year. An increase in utility purchases in the amount of \$373,034 is the main cause of this increase.

MD&A

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Town is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

USING THIS ANNUAL REPORT

The Town's annual report consists of financial statements that show information about the Town's funds, enterprise funds and governmental funds.

Our accountant has provided assurance in his independent accountant's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the accountant regarding the other information included in this report. A user of this report should read the independent accountant's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

REPORTING THE TOWN'S MOST SIGNIFICANT FUNDS

The Town's financial statements provide detailed information about the most significant funds. The Town may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money. The Town's enterprise fund uses the following accounting approach:

All of the Town's services are reported in an enterprise fund. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

MD&A

GOVERNMENTAL FUNDS

Comparative Statement of Net Position

The following table represents a Comparative Statement of Net Position as of June 30, 2023:

	<u>2022</u>	<u>2023</u>	<u>% Change</u>
ASSETS			
Cash & Investments	\$ 195,700	\$ 279,097	42.6
Receivables	17,390	21,655	24.5
Restricted Assets	1,054,149	1,007,338	-4.4
Capital Assets, Net of Accumulated Depreciation	5,165,899	5,009,938	-3.0
TOTAL ASSETS	<u>6,433,138</u>	<u>6,318,028</u>	-1.8
LIABILITIES & NET POSITION			
Accounts, Salaries, & Other Payables	42,913	98,579	129.7
Other Liabilities	79,666	73,179	-8.1
Notes & Bonds Payable – Current	271,651	264,216	-2.7
Notes & Bonds Payable – Noncurrent	652,388	347,342	-46.8
TOTAL LIABILITIES	<u>1,046,618</u>	<u>783,316</u>	-25.2
NET POSITION			
Net Investment in Capital Assets	4,241,860	4,370,993	3.0
Restricted	782,498	768,203	-1.8
Unrestricted	362,162	395,516	9.2
TOTAL NET POSITION	<u>\$ 5,386,520</u>	<u>\$ 5,534,712</u>	2.8

MD&A

GOVERNMENTAL FUNDS

Comparative Changes in Fund Balances

The following table reflects the Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2023:

	<u>2022</u>	<u>2023</u>	<u>% Change</u>
REVENUES			
Taxes	\$ 547,241	\$ 538,880	-1.5
Licenses and Permits	193,047	169,460	-12.2
Rentals	22,370	25,036	11.9
Charges for Services	133,975	185,535	38.5
Fines and Forfeitures	215,007	297,360	38.3
Capital Grants	617,603	-0-	-100.0
Intergovernmental	376,733	647,753	71.9
Other	102,908	118,634	15.2
TOTAL REVENUES	<u>2,208,884</u>	<u>1,982,658</u>	-10.2
EXPENDITURES			
General & Administrative	584,164	607,799	4.0
Public Safety	409,100	572,838	40.0
Public Works	637,338	533,778	-16.2
Recreation	17	12,183	71564.7
Airport	35,448	1,139	-96.8
Capital Outlay	439,514	263,181	-40.1
Debt Service	294,823	319,118	8.2
TOTAL EXPENDITURES	<u>2,400,404</u>	<u>2,310,036</u>	-3.8
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(191,520)</u>	<u>(327,378)</u>	-70.9
OTHER FINANCING SOURCES (USES)			
Interest Income	223	815	265.5
Transfers In (Out)	319,314	318,235	-0.3
TOTAL OTHER FINANCING SOURCES (USES)	<u>319,537</u>	<u>319,050</u>	-0.2
NET CHANGE IN FUND BALANCE	128,017	(8,328)	-106.5
FUND BALANCES--BEGINNING	<u>1,016,643</u>	<u>1,144,660</u>	12.6
FUND BALANCES--ENDING	<u>\$ 1,144,660</u>	<u>\$ 1,136,332</u>	-0.7

MD&A

ENTERPRISE FUNDS

Comparative Statement of Net Position

The following table represents a Comparative Statement of Net Position as of June 30, 2023:

	<u>2022</u>	<u>2023</u>	<u>% Change</u>
ASSETS			
Cash	\$ 195,502	\$ 77,309	-60.5
Receivables	122,675	254,672	
Restricted Assets	1,246,253	1,348,399	8.2
Capital Assets, Net of Accumulated Depreciation	19,653,701	19,158,626	-2.5
TOTAL ASSETS	<u>21,218,131</u>	<u>20,839,006</u>	
LIABILITIES AND NET POSITION			
Accounts, Salaries, & Other Payables	70,991	99,601	40.3
Accrued Liabilities	60,128	17,495	-70.9
Customer Deposits	153,419	161,828	5.5
Lease Payable - Current Portion	59,316	59,316	0.0
Notes & Bonds Payable – Current Portion	233,000	233,000	0.0
Lease Payable – Noncurrent Portion	212,551	155,932	-26.6
Notes & Bonds Payable – Noncurrent Portion	6,139,832	5,919,000	-3.6
TOTAL LIABILITIES	<u>6,929,237</u>	<u>6,646,172</u>	-4.1
NET POSITION			
Net Investment in Capital Assets	13,068,318	12,791,378	-2.1
Restricted	727,762	737,052	1.3
Unrestricted	492,814	664,404	
TOTAL NET POSITION	<u>\$ 14,288,894</u>	<u>\$ 14,192,834</u>	

MD&A

ENTERPRISE FUNDS

Comparative Changes in Net Position

The following table reflects the Comparative Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2023:

	2022	2023	% Change
OPERATING REVENUES			
Electric Sales	\$ 2,555,769	\$ 3,189,602	
Gas Sales	590,062	485,932	-17.6
Water Sales	332,965	336,184	1.0
Sewer Sales	324,657	326,706	0.6
Other Fees/Charges	53,983	79,299	
TOTAL OPERATING REVENUES	3,857,436	4,417,723	
OPERATING EXPENSES			
Utility Purchases	2,053,096	2,426,130	18.2
Administration/Personnel	307,589	217,412	-29.3
Repairs and Maintenance	231,275	207,105	-10.5
Materials & Supply	22,914	47,033	105.3
Utilities	75,553	78,811	4.3
Other Operating Expenses	431,344	361,328	-16.2
Depreciation	555,730	593,813	6.9
TOTAL OPERATING EXPENSES	3,677,501	3,931,632	6.9
OPERATING INCOME (LOSS)	179,935	486,091	
NON-OPERATING REVENUES (EXPENSES)			
Interest Earnings	311	353	13.5
Interest Expense	(106,410)	(92,267)	13.3
TOTAL NON-OPERATING REVENUES (EXPENSES)	(106,098)	(91,914)	13.4
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	73,837	394,177	
Transfers In/(Out)	(319,314)	(318,235)	0.3
Capital Contributions	99,275	48,125	-51.5
CHANGE IN NET POSITION	(146,202)	124,067	
PRIOR PERIOD ADJUSTMENT	-0-	(220,127)	-100.0
TOTAL NET POSITION – BEGINNING	14,435,096	14,288,894	-1.0
TOTAL NET POSITION – ENDING	\$ 14,288,894	\$ 14,192,834	

MD&A

CAPITAL ASSETS & LONG-TERM DEBT

Capital Assets – Governmental Fund

At June 30, 2023, the Town had \$5,009,938 invested in capital assets, including the following:

Capital Assets at Year-End

	<u>2022</u>	<u>2023</u>
Land*	\$ 422,850	\$ 422,850
Buildings	1,104,931	1,171,379
Land Improvements	3,395,482	3,321,186
Machinery & Equipment	2,663,360	2,799,166
Vehicles	826,868	887,795
Accumulated Depreciation	<u>(3,247,592)</u>	<u>(3,592,438)</u>
Total	\$ 5,165,899	\$ 5,009,938

*Land in the amount of \$422,850 is not being depreciated.

Capital Assets – Enterprise Fund

At June 30, 2023, the Town had \$19,158,626 invested in capital assets, including the following:

Capital Assets at Year-End

	<u>2022</u>	<u>2023</u>
Land*	\$ 21,612	\$ 21,612
Buildings	11,579	11,579
Plant and Equipment	28,557,067	28,655,775
Accumulated Depreciation	<u>(8,936,527)</u>	<u>(9,530,340)</u>
Total	\$ 19,653,701	\$ 19,158,626

*Land in the amount of \$21,612 is not being depreciated.

MD&A

Long-Term Obligations – General Fund

The following is a summary of long-term obligation transactions for the year ended June 30, 2023:

	Bonds Payable	Notes Payable	Total
Long-term obligations at beginning of year	\$ 871,913	\$ 7,451	\$ 879,364
Additions to principal	-0-	-0-	-0-
Repayment of principal	<u>(260,355)</u>	<u>(7,451)</u>	<u>(267,806)</u>
Long-term obligations at end of year	\$ 611,558	\$ -0-	\$ 611,558
Less current portion	<u>(264,216)</u>	<u>-0-</u>	<u>(264,216)</u>
Long-term portion	<u>\$ 347,342</u>	<u>\$ -0-</u>	<u>\$ 347,342</u>

Long-Term Obligations – Enterprise Fund

The following is a summary of long-term obligation transactions for the year ended June 30, 2023:

	Bonds Payable	Notes Payable	Lease Payable	Total
Long-term obligations at beginning of year	\$ 6,269,835	\$ 115,165	\$ 274,564	6,659,564
Additions to principal	-0-	-0-	-0-	
Repayment of principal	<u>(229,000)</u>	<u>(4,000)</u>	<u>(59,316)</u>	<u>(292,316)</u>
Long-term obligations at end of year	\$ 6,040,835	\$ 111,165	\$ 215,248	6,367,248
Less current portion	<u>(229,000)</u>	<u>(4,000)</u>	<u>(59,316)</u>	<u>(292,316)</u>
Long-term portion	<u>\$ 5,811,835</u>	<u>\$ 107,165</u>	<u>\$ 155,932</u>	<u>6,074,932</u>

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Loria Hollins, Mayor, at the Town of Jonesville, phone (318) 339-8596.

BASIC FINANCIAL STATEMENTS

TOWN OF JONESVILLE, LOUISIANA
Statement of Net Position
June 30, 2023

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
CURRENT ASSETS			
Cash	\$ 279,097	\$ 77,309	\$ 356,406
Receivables (Net of Allowances for Uncollectible)	21,655	254,672	276,327
TOTAL CURRENT ASSETS	<u>300,752</u>	<u>331,981</u>	<u>632,733</u>
NON-CURRENT ASSETS			
Restricted Assets	1,007,338	1,348,399	2,355,737
Capital Assets (Net of Accumulated Depreciation)	5,009,938	19,158,626	24,168,564
TOTAL NON-CURRENT ASSETS	<u>6,017,276</u>	<u>20,507,025</u>	<u>26,524,301</u>
TOTAL ASSETS	<u>6,318,028</u>	<u>20,839,006</u>	<u>27,157,034</u>
CURRENT LIABILITIES			
Accounts, Salaries, & Other Payables	98,579	99,601	198,180
Accrued Liabilities	73,179	5,304	78,483
Customer Deposits	-0-	161,828	161,828
Accrued Interest	-0-	12,191	12,191
Lease Payable, Current	-0-	59,316	59,316
Notes Payable, Current	-0-	4,000	4,000
Bonds Payable, Current	264,216	229,000	493,216
TOTAL CURRENT LIABILITIES	<u>435,974</u>	<u>571,240</u>	<u>1,007,214</u>
NON-CURRENT LIABILITIES			
Lease Payable	-0-	155,932	155,932
Notes Payable	-0-	107,165	107,165
Bonds Payable	347,342	5,811,835	6,159,177
TOTAL NON-CURRENT LIABILITIES	<u>347,342</u>	<u>6,074,932</u>	<u>6,422,274</u>
TOTAL LIABILITIES	<u>783,316</u>	<u>6,646,172</u>	<u>7,429,488</u>
NET POSITION			
Net Investment in Capital Assets	4,370,993	12,791,378	17,162,371
Restricted	768,203	737,052	1,505,255
Unrestricted	395,516	664,404	1,059,920
TOTAL NET POSITION	<u>\$ 5,534,712</u>	<u>\$ 14,192,834</u>	<u>\$ 19,727,546</u>

The accompanying notes are an integral part of this statement.

TOWN OF JONESVILLE, LOUISIANA
Statement of Activities
For the Year Ended June 30, 2023

	PROGRAM REVENUES				NET REVENUES (EXPENSES) & CHANGES OF PRIMARY GOVERNMENT		
	Expenses	Charges for Services	Capital Grants & Contributions	Net (Expenses) Revenue	Governmental Activities	Business Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General Government	\$ (709,904)	\$ 169,460	\$ -0-	\$ (540,444)	(540,444)		\$ (540,444)
Public Safety:							
Police	(603,532)	-0-	-0-	(603,532)	(603,532)		(603,532)
Fire	-0-	-0-	-0-	-0-	-0-		-0-
Public Works:							
Streets	(570,658)	-0-	-0-	(570,658)	(570,658)		(570,658)
Sanitation	(121,286)	185,535	-0-	64,249	64,249		64,249
Recreation	(12,183)	-0-	-0-	(12,183)	(12,183)		(12,183)
Airport	(97,749)	-0-	-0-	(97,749)	(97,749)		(97,749)
Interest on Long-Term Debt	(13,158)	-0-	-0-	(13,158)	(13,158)		(13,158)
TOTAL GOVERNMENTAL ACTIVITIES	<u>(2,128,470)</u>	<u>354,995</u>	<u>-0-</u>	<u>(1,773,475)</u>	<u>(1,773,475)</u>		<u>(1,773,475)</u>
BUSINESS TYPE ACTIVITIES							
Electric	(2,606,671)	3,295,313	-0-	688,642		\$ 688,642	688,642
Water	(477,001)	336,184	48,125	(92,692)		(92,692)	(92,692)
Gas	(654,268)	565,584	-0-	(88,684)		(88,684)	(88,684)
Sewer	(488,974)	326,778	-0-	(162,196)		(162,196)	(162,196)
Interest on Long-Term Debt	(123,248)	-0-	-0-	(123,248)		(123,248)	(123,248)
TOTAL BUSINESS TYPE ACTIVITIES	<u>(4,350,162)</u>	<u>4,523,859</u>	<u>48,125</u>	<u>221,822</u>		<u>221,822</u>	<u>221,822</u>
TOTAL PRIMARY GOVERNMENT	\$ <u>(6,478,632)</u>	\$ <u>4,878,854</u>	\$ <u>48,125</u>	\$ <u>(1,551,653)</u>			<u>(1,551,653)</u>
GENERAL REVENUES							
Taxes:							
					86,574	-0-	86,574
					452,306	-0-	452,306
					297,360	-0-	297,360
					25,036	-0-	25,036
					647,753	-0-	647,753
					815	353	1,168
					93,588	-0-	93,588
					318,235	(318,235)	-0-
					<u>1,921,667</u>	<u>(317,882)</u>	<u>1,603,785</u>
					148,192	(96,060)	52,132
					<u>5,386,520</u>	<u>14,288,894</u>	<u>19,675,414</u>
					\$ <u>5,534,712</u>	\$ <u>14,192,834</u>	\$ <u>19,727,546</u>

The accompanying notes are an integral part of this statement.

TOWN OF JONESVILLE, LOUISIANA
Balance Sheet, Governmental Funds
June 30, 2023

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL</u>
ASSETS				
Cash & Cash Equivalents	\$ 279,097	\$ -0-	\$ -0-	\$ 279,097
Receivables (Net of Allowances for Uncollectable)	21,655	-0-	-0-	21,655
Restricted Cash and Cash Equivalents	208,536	793,255	5,547	1,007,338
TOTAL ASSETS	<u>509,288</u>	<u>793,255</u>	<u>5,547</u>	<u>1,308,090</u>
LIABILITIES				
Accounts, Salaries, and Other Payables	98,579	-0-	-0-	98,579
Accrued Liabilities	73,179	-0-	-0-	73,179
TOTAL LIABILITIES	<u>171,758</u>	<u>-0-</u>	<u>-0-</u>	<u>171,758</u>
FUND BALANCES				
Restricted	208,536	793,255	5,547	1,007,338
Unassigned	128,994	-0-	-0-	128,994
TOTAL FUND BALANCES	<u>337,530</u>	<u>793,255</u>	<u>5,547</u>	<u>1,136,332</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 509,288</u>	<u>\$ 793,255</u>	<u>\$ 5,547</u>	<u>\$ 1,308,090</u>

The accompanying notes are an integral part of this statement.

TOWN OF JONESVILLE, LOUISIANA
Reconciliation of the Government Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
June 30, 2023

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balance, Total Governmental Funds (Statement C)		\$ 1,136,332
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental Capital Assets	8,575,030	
Less Accumulated Depreciation	<u>(3,565,092)</u>	
		5,009,938
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
		<u>(611,558)</u>
Net Position of Governmental Activities (Statement A)		\$ <u>5,534,712</u>

The accompanying notes are an integral part of this statement.

TOWN OF JONESVILLE, LOUISIANA
Statement of Revenues, Expenditures &
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	<u>GENERAL</u>	<u>SPECIAL REVENUE FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL</u>
REVENUES				
Taxes:				
Ad Valorem Tax	\$ 86,574	\$ -0-	\$ -0-	\$ 86,574
Sales Tax	-0-	452,306	-0-	452,306
Licenses and Permits	169,460	-0-	-0-	169,460
Rentals	25,036	-0-	-0-	25,036
Charges for Services	185,535	-0-	-0-	185,535
Fines and Forfeitures	297,360	-0-	-0-	297,360
Intergovernmental	647,753	-0-	-0-	647,753
Other	118,634	-0-	-0-	118,634
TOTAL REVENUES	<u>1,530,352</u>	<u>452,306</u>	<u>-0-</u>	<u>1,982,658</u>
EXPENDITURES				
General	\$ 607,799	-0-	-0-	607,799
Public Safety:				
Police	572,838	-0-	-0-	572,838
Fire	-0-	-0-	-0-	-0-
Public Works:				
Streets	228,660	182,732	1,100	412,492
Sanitation	121,286	-0-	-0-	121,286
Recreation	12,183	-0-	-0-	12,183
Airport	1,139	-0-	-0-	1,139
Capital Outlay	142,892	120,289	-0-	263,181
Debt Service	9,776	-0-	309,342	319,118
TOTAL EXPENDITURES	<u>1,696,573</u>	<u>303,021</u>	<u>310,442</u>	<u>2,310,036</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(166,221)</u>	<u>149,285</u>	<u>(310,442)</u>	<u>(327,378)</u>
OTHER FINANCING SOURCES (USES)				
Interest Income	815	-0-	-0-	815
Transfers In (Out)	180,000	(130,740)	268,975	318,235
TOTAL OTHER FINANCING SOURCES (USES)	<u>180,815</u>	<u>(130,740)</u>	<u>268,975</u>	<u>319,050</u>
NET CHANGE IN FUND BALANCE	14,594	18,545	(41,467)	(8,328)
FUND BALANCES--BEGINNING	<u>322,936</u>	<u>\$ 774,710</u>	<u>\$ 47,014</u>	<u>\$ 1,144,660</u>
FUND BALANCES--ENDING	<u>\$ 337,530</u>	<u>\$ 793,255</u>	<u>\$ 5,547</u>	<u>\$ 1,136,332</u>

The accompanying notes are an integral part of this statement.

TOWN OF JONESVILLE, LOUISIANA
Reconciliation of the Statement of Revenues, Expenditures,
& Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2023

Net Change in Fund Balances, Total Governmental Funds, Statement E \$ (8,328)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

	Capital Outlay	263,181	
	Depreciation Expense	(317,500)	
		(54,319)	(54,319)

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

	Loan Proceeds	-0-	
	Principal Paid	210,839	
		210,839	210,839

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

-0-

Changes in Net Position of Governmental Activities, Statement B \$ 148,192

The accompanying notes are an integral part of this statement.

TOWN OF JONESVILLE, LOUISIANA
Statement of Net Position, Proprietary Funds
June 30, 2023

	BUSINESS-TYPE ACTIVITIES
	ENTERPRISE FUND
CURRENT ASSETS	
Cash & Cash Equivalents	\$ 77,309
Receivables (Net of Allowances for Uncollectible)	254,672
TOTAL CURRENT ASSETS	331,981
NON-CURRENT ASSETS	
Restricted Assets	1,348,399
Capital Assets (Net of Accumulated Depreciation)	19,158,626
TOTAL NON-CURRENT ASSETS	20,507,025
TOTAL ASSETS	20,839,006
CURRENT LIABILITIES	
Accounts, Salaries, & Other Payables	99,601
Accrued Liabilities	5,304
TOTAL CURRENT LIABILITIES	104,905
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	
Customer Deposits	161,828
Accrued Interest	12,191
Lease Payable – Current Portion	59,316
Notes Payable – Current Portion	4,000
Bonds Payable – Current Portion	229,000
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	466,335
NON-CURRENT LIABILITIES	
Lease Payable	155,932
Notes Payable	107,165
Bond Payable (Net of Discount)	5,811,835
TOTAL CURRENT LIABILITIES	6,074,932
TOTAL LIABILITIES	6,646,172
NET POSITION	
Net Investment in Capital Assets	12,791,378
Restricted	737,052
Unrestricted	664,404
TOTAL NET POSITION	\$ 14,192,834

The accompanying notes are an integral part of this statement.

TOWN OF JONESVILLE, LOUISIANA
Statement of Revenues, Expenses & Changes in Net Position
Proprietary Funds
June 30, 2023

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND
OPERATING REVENUES	
Electric Sales	\$ 3,189,602
Gas Sales	485,932
Water Sales	336,184
Sewer Sales	326,706
Other Fees/Charges	79,299
TOTAL OPERATING REVENUES	4,417,723
OPERATING EXPENSES	
Utility Purchases	2,426,130
Administration/Personnel	217,412
Repairs and Maintenance	207,105
Materials and Supplies	47,033
Utilities	78,811
Other Operating Expenses	361,328
Depreciation	593,813
TOTAL OPERATING EXPENSES	3,931,632
OPERATING INCOME (LOSS)	486,091
NON-OPERATING REVENUES (EXPENSES)	
Interest Earnings	353
Interest Expense	(92,267)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(91,914)
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	394,177
Transfers In/(Out)	(318,235)
Capital Contributions	48,125
CHANGE IN NET POSITION	124,067
PRIOR PERIOD ADJUSTMENT	(220,127)
TOTAL NET POSITION – BEGINNING	14,288,894
TOTAL NET POSITION – ENDING	\$ 14,192,834

The accompanying notes are an integral part of this statement.

TOWN OF JONESVILLE, LOUISIANA
Statement of Cash Flows
Proprietary Funds
June 30, 2023

	BUSINESS-TYPE ACTIVITIES
	ENTERPRISE FUND
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers & Users	\$ 4,098,282
Payments to Suppliers	(3,142,839)
Payments to Employees	(217,412)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	738,031
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers In (Out)	(318,235)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(318,235)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES	
Contributions & Grants	48,125
Construction of Capital Assets	(98,738)
Additions to Capital Debt	-0-
Interest Paid on Capital Debt	(92,267)
Principal Paid on Capital Debt	(293,316)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	(436,196)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest & Dividends Received	353
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	353
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(16,047)
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR	1,441,755
CASH & CASH EQUIVALENTS, END OF YEAR	1,425,708
RECONCILIATION TO BALANCE SHEET	
Cash and Cash Equivalents	77,309
Restricted Cash	1,348,399
TOTAL CASH AND CASH EQUIVALENTS	1,425,708
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income (Loss)	134,755
Depreciation Expense	593,813
(Increase) Decrease in Accounts Receivable	31,895
Increase (Decrease) in Accounts Payables	(8,951)
Increase (Decrease) in Accrued Liabilities	(5,072)
Increase (Decrease) in Accrued Interest	-0-
Increase (Decrease) Customer Deposits	(8,409)
TOTAL ADJUSTMENTS	6003,276
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 738,031

The accompanying notes are an integral part of this statement.

**NOTES
TO THE BASIC
FINANCIAL STATEMENTS**

TOWN OF JONESVILLE, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Jonesville, Louisiana was incorporated December 16, 1903, under the provisions of the Lawrason Act. The Town operates under the Mayor-Town Council form of government and provides the following services as authorized by the Act: public safety (police and fire); streets; sanitation; recreation; public improvements; planning and zoning; provision of gas, electric, and water utilities; sewer services, airport facilities, and general services.

The accounting and reporting policies of the Town of Jonesville conform to generally accepted accounting principles as applicable to governments.

GASB Statement 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the municipality is considered a primary governing body, is legally separate, and is fiscally independent means that the municipality may, without the approval or consent of another government entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

The following is a summary of certain significant accounting policies:

A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

TOWN OF JONESVILLE, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major governmental funds:

- The general fund is the municipality's primary operating fund. It accounts for all financial resources and expenditures of the general government, except those required to be accounted for in a special revenue fund.
- The special revenue fund is used to account for all financial resources and expenditures of street improvements.
- The debt service fund is used to account for the accumulation of monies from dedicated sales tax for the payment of sales tax bonds issued for street improvements.

The municipality reports the following major proprietary fund:

The utility fund is used to account for the provision of gas, electric, and water utilities, as well as sewer services to residents of the Town and some residents of the Parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, and related debt service and billing and collection.

TOWN OF JONESVILLE, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

The proprietary fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges for services and sales taxes. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

Net Investment in Capital Assets - Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

Restricted Net Position - Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position - All other net positions that do not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies restricted resources first. The policy concerning which to apply first varies with the intended use and legal requirements. The decision is typically made by management at the incurrence of the expense.

In the Fund Financial Statements, governmental fund equity is classified as a fund balance. The Town has implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the purposes for which resources can be used.

TOWN OF JONESVILLE, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

- a. Nonspendable fund balance – amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance – amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;
- d. Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance – amounts that are available for any purpose, positive amounts are reported only in the general fund.

D. CASH & CASH EQUIVALENTS

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of six months or less from the date of acquisition. State law and the municipality's investments policy allow the municipality to invest in collateralized certificate of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities.

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the Town. For the purpose of the proprietary fund Statement of Cash Flows, "Cash and Cash Equivalents" include all demand and savings accounts, and certificates of deposit under 90 days.

E. RECEIVABLES & PAYABLES

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

TOWN OF JONESVILLE, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

F. AD VALOREM TAXES

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following shows the amount of authorized and levied ad valorem taxes on property with assessed valuations totaling \$9,985,582.

General purposes	8.670 mills
Total taxes levied	\$86,574

G. INVENTORIES

For both governmental and proprietary funds, purchase of various operating supplies is regarded as expenditures or expenses at the time purchased, and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year. For the year ending June 30, 2023, these amounts were considered to be immaterial.

H. RESTRICTED ASSETS

Restricted assets include cash and cash investments, which are restricted for the following.

- Restricted assets were applicable to the following at June 30, 2023:

	<u>Governmental</u>
Bond Sinking/Reserve/Contingencies	\$ 88,797
Grant/Construction	125,286
Sales Tax	793,255
Total	<u>\$ 1,007,338</u>

	<u>Enterprise</u>
Customer Deposits	\$ 179,680
Bond Sinking/Reserve/Contingencies	1,168,719
Grant/Construction	-0-
Total	<u>\$ 1,348,399</u>

I. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if the historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town of Jonesville maintains a threshold level of \$2,500 or more for capitalizing capital assets.

TOWN OF JONESVILLE, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

For the year ended June 30, 2023, no interest costs were capitalized for construction of fixed assets.

Depreciation of all exhaustible fixed assets is charged as an expense against its operations. Accumulated depreciation is reported on the proprietary fund balance sheet and governmental fund statement of activities. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<u>Governmental Activities</u>	<u>Life In Years</u>
Land Improvements	30
Buildings	40
Machinery and Equipment	5-20
Vehicles	5-15
<u>Business-Type Activities/Enterprise</u>	<u>Life In Years</u>
Buildings	25
Infrastructure	20-50
Machinery and Equipment	5-20
Vehicles	5-15

J. COMPENSATED ABSENCES

The liability for compensated absences has not been accrued because the amount is considered to be immaterial.

K. LONG-TERM OBLIGATIONS

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

L. NEW ACCOUNTING PRONOUNCEMENT

In June of 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, Leases. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities of leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases that are

TOWN OF JONESVILLE, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

M. FUND EQUITY

In the fund equity statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

N. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) CASH & CASH EQUIVALENTS

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Louisiana Revised Statute 39.1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Entity that the fiscal agent bank has failed to pay deposit funds upon demand. Further, Louisiana Revised Statute 39.1224 states that securities held by a third party shall be deemed to be held in the Entity's name.

Deposits

It is the Town's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Town's deposits are categorized to give an indication of the level of risk assumed by the Town at year end. The categories are described as follows:

TOWN OF JONESVILLE, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

- *Category 1* – Insured or collateralized with securities held by the Town or by its agent in the Town’s name.
- *Category 2* – Collateralized with securities held by the pledging financial institution’s trust department or agent in the Town’s name.
- *Category 3* – Uncollateralized.

	CLB The Community Bank	Concordia Bank & Trust	Total
Bank Balances	\$ 1,834,456	\$ 932,408	\$ 2,766,864
<i>Secured As Follows</i>			
FDIC (<i>Category 1</i>)	500,000	250,000	750,000
Securities (<i>Category 2</i>)	1,116,743	699,503	1,816,246
Uncollateralized (<i>Category 3</i>)	-0-	-0-	-0-
Total	\$ 1,616,743	\$ 949,503	\$ 2,566,246

All deposits were **not** fully secured as of June 30, 2023.

(3) INTERFUND TRANSFERS

Interfund transfers during the year ended June 30, 2023, were as follows:

\$318,235 was transferred from the utility fund to the general fund.

Transfers are primarily used to move funds from:

- The proprietary funds to the general fund to cover expenses of general operations.

(4) RECEIVABLES

The receivables of \$271,749 at June 30, 2023, are as follows:

Class of Receivable	General Fund	Enterprise Fund	Total
Taxes:			
Property Taxes	\$ 21,655	\$ -0-	\$ 21,655
Accounts			
Other	-0-	259,250	259,250
Allowance for Uncollectible	-0-	(4,578)	(4,578)
Total	\$ 21,655	\$ 254,672	\$ 276,327

TOWN OF JONESVILLE, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance amount at the time information becomes available which would indicate the uncollectible of the receivable.

(5) CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2023, is as follows:

	Beginning Balance	<u>Governmental Activities</u>		Ending Balance
		Additions	Deletions	
Land*	\$ 422,850	\$ -0-	\$ -0-	\$ 422,850
Buildings	1,104,931	66,448	-0-	1,171,379
Land Improvements	3,395,482	-0-	(101,642)	3,321,186
Machinery & Equipment	2,663,360	135,806	-0-	2,799,166
Vehicles	826,868	60,927	-0-	887,795
Total Fixed Assets	<u>8,413,491</u>	<u>263,181</u>	<u>(101,642)</u>	<u>8,575,030</u>
Less Accumulated Depreciation	<u>(3,274,938)</u>	<u>(317,500)</u>	<u>-0-</u>	<u>(3,565,092)</u>
Net Capital Assets	<u>\$ 5,138,553</u>	<u>\$ (54,319)</u>	<u>\$ (74,296)</u>	<u>\$ 5,009,938</u>

*Land in the amount of \$422,850 is not being depreciated.

Depreciation expense of \$317,500 for the year ended June 30, 2023, was charged to the following governmental functions:

General Government	\$ 21,478
Public Safety:	
Police	30,694
Fire	-0-
Public Works:	
Streets	168,718
Sanitation	-0-
Recreation	-0-
Airport	96,610
Total Depreciation	<u>\$ 317,500</u>

	Beginning Balance	<u>Business-Type Activities</u>		Ending Balance
		Additions	Deletions	
Land*	\$ 21,612	\$ -0-	\$ -0-	\$ 21,612
Buildings	11,579	-0-	-0-	11,579
Plant and Equipment	28,557,037	98,738	-0-	28,655,775
Total	<u>28,590,228</u>	<u>98,738</u>	<u>-0-</u>	<u>28,688,966</u>
Accumulated Depreciation	<u>(8,936,527)</u>	<u>(593,813)</u>	<u>-0-</u>	<u>(9,530,340)</u>
Net Capital Assets	<u>\$ 19,653,701</u>	<u>\$ (495,075)</u>	<u>\$ -0-</u>	<u>\$ 19,158,626</u>

* Land in the amount of \$21,612 is not being depreciated.

TOWN OF JONESVILLE, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

(6) LONG-TERM OBLIGATIONS

Governmental Funds

The following is a summary of long-term obligation transactions for the year ended June 30, 2023:

	Bonds Payable	Notes Payable	Total
Long-term obligations at beginning of year	\$ 871,913	7,451	879,364
Additions to principal	-0-	-0-	-0-
Repayment of principal	(260,355)	(7,451)	(267,806)
Long-term obligations at end of year	611,558	-0-	611,558
Less current portion	(264,216)	-0-	(264,216)
Long-term portion	\$ 347,342	\$ -0-	\$ 347,342

Long-term debt for governmental funds as of June 30, 2023, is comprised of the following:

United States Department of Agriculture – Public Improvement Bond, Series 2012 indebtedness to construct a new Town Hall in the amount of \$139,900, commencing on January 24, 2014, and payable in monthly installments of \$518 until maturity on January 24, 2053, with an annual interest rate of 3.125%.	\$	106,371
Sales tax bonds in the amount of \$1,900,000, Series 2017 issued for street improvements, beginning November 2017 and commencing on November 2025, and due in semi-annual installments changing each year with a coupon rate of 2.425%.		505,187
Wells Fargo Equipment Finance – 2012 John Deere 310J Backhoe Loader financed in the amount of \$37,351.33, beginning April 2019, commencing March 2023, payable in monthly installments of \$958.83, interest rate of 10.638%.		-0-
Total long-term debt	\$	611,558

TOWN OF JONESVILLE, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

The annual requirements to amortize all debt outstanding as of June 30, 2023, including interest payments, are as follows:

<u>Year Ending June 30,</u>	<u>Bonds & Notes Payable</u>
2024	\$ 287,048
2025	290,800
2026	6,216
2027	6,216
2028	6,216
2029-2033	31,080
2034-2038	31,080
2039-2043	31,080
2044-2048	31,080
2049-2053	3,599
Total	<u>\$ 724,415</u>

Enterprise Fund

The following is a summary of long-term obligation transactions for the year ended June 30, 2023:

	<u>Bonds Payable</u>	<u>Notes Payable</u>	<u>Lease Payable</u>	<u>Total</u>
Long-term obligations at beginning of year	\$ 6,269,835	115,165	274,564	6,659,564
Additions to principal	-0-	-0-	-0-	-0-
Repayment of principal	<u>(229,000)</u>	<u>(4,000)</u>	<u>(59,316)</u>	<u>(292,316)</u>
Long-term obligations at end of year	6,040,835	111,165	215,248	6,367,248
Less current portion	<u>(229,000)</u>	<u>(4,000)</u>	<u>(59,316)</u>	<u>(292,316)</u>
Long-term portion	<u>\$ 5,811,835</u>	<u>\$ 107,165</u>	<u>\$ 155,932</u>	<u>\$ 6,074,932</u>

TOWN OF JONESVILLE, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

Long-term debt for the enterprise fund as of June 30, 2023, is comprised of the following:

Revenue refunding bonds to refinance debt and pay electricity purchases in the amount of \$760,000, net of discount commencing on March 20, 2020, and payable in annual installments beginning at \$65,000 and changing from year to year until maturity on June 30, 2028, with an annual coupon rate beginning at 2.250% and increasing annually.	\$ 511,429
Forty-year note payable to provide financing in the amount of \$205,000, to United States Department of Agriculture, dated December 1, 2010, with principal due annually and interest due semi-annually, with an annual interest rate of 3.00%.	111,165
Bond payable to United States Department of Agriculture, in the amount of \$3,326,000, with interest payments due semi-annually beginning December 1, 2012, and principal payments due annually commencing December 1, 2014, until maturity on December 1, 2051, with an annual interest rate of 2%.	2,781,554
Bond payable to United States Department of Agriculture, in the amount of \$3,292,000, with interest payments due semi-annually beginning December 1, 2012, and principal payments due annually commencing December 1, 2014, until maturity on December 1, 2051, with an annual interest rate of 2%.	2,750,549
Lease payable to Altec Capital for right-of-use asset (Digger Truck) for 60 months due in annual installments of \$2,697 beginning March 1, 2022.	116,422
Lease payable to Altec Capital for right-of-use asset (Bucket Truck) for 60 months due in annual installments of \$2,246 beginning December 1, 2021.	96,129
Total long-term debt	\$ <u>6,367,248</u>

TOWN OF JONESVILLE, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

The annual requirements to amortize all debt outstanding as of June 30, 2023, including interest payments, are as follows:

Year Ending June 30,	Bones, Notes, and Lease Payable
2024	\$ 426,373
2025	426,117
2026	427,790
2027	430,102
2028	409,517
2029-2033	1,402,830
2034-2038	1,426,180
2039-2043	1,425,180
2044-2048	1,131,520
2049-2053	1,380,093
Total	\$ 8,885,702

(7) SEGMENT INFORMATION FOR UTILITY FUND

The enterprise fund operated by the Town provides electric, water, gas, and sewer utility services. The following is a summary of segment information for enterprise funds:

	Electric Utility	Gas Utility	Water Utility	Sewer Service	Total
Operating Revenue	\$ 3,268,901	\$ 485,932	\$ 336,184	\$ 326,706	\$ 4,417,723
Purchase of Utility	(1,909,375)	(516,754)	-0-	-0-	(2,426,129)
Operating Expenses	(387,281)	(124,227)	(319,379)	(198,406)	(1,029,293)
Depreciation	(101,926)	(13,287)	(188,032)	(290,568)	(593,813)
Nonoperating Revenue	353	-0-	-0-	-0-	353
Nonoperating Expense	(16,589)	-0-	(57,265)	(18,413)	(92,267)
Operating Income (Loss)	\$ 854,083	\$ (168,336)	\$ (228,492)	\$ (180,681)	\$ 276,574

TOWN OF JONESVILLE, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

(8) RESTRICTED NET POSITION

- **Governmental Fund**

- The Town's debt service fund had restricted net position of \$768,203, which has been restricted for future payments of long-term debt.

- **Enterprise Funds**

- The Town's enterprise fund had restricted net position of \$737,052, which arose from restricted monies as required by revenue bond indentures.

(9) ELECTED OFFICIALS

The following is a list of elected officials and their term for the year ending June 30, 2023:

<u>Name</u>	<u>Title</u>	<u>Term</u>
Loria Hollins	Mayor	1/1/2023 – 12/31/2026
Richard Madison	Police Chief	1/1/2023 – 12/31/2026
Angela Carter	Council	1/1/2023 – 12/31/2026
Catina Branch	Council	1/1/2023 – 12/31/2026
Sholonda Branch	Council	1/1/2023 – 12/31/2026
Bruce Lofton	Council	1/1/2023 – 12/31/2026
June Gayden	Council	1/1/2023 – 12/31/2026

TOWN OF JONESVILLE, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

(10) RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(11) SALES AND USE TAX REVENUES

- A) The Town receives hard surface road tax and sanitation tax from Catahoula Parish. The Town received \$89,163 in hard surface road tax and \$209,671 in sanitation tax for the fiscal year ended June 30, 2023.
- B) The Town receives 1% sales and use tax from Catahoula Parish to be used for the purpose of hard surfacing, rehabilitation, and resurfacing of the streets located within the corporate limits of the Town. The Town received \$452,306 in sales tax for the fiscal year ended June 30, 2023.

(12) SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the Statement of Net Position date through February 26, 2024, of the independent auditor's report for potential recognition or disclosure in the financial statements.

(13) PRIOR PERIOD ADJUSTMENT

The Town of Jonesville has a prior period adjustment of \$220,127. This adjustment is to correct balances for active and inactive customers in accounts receivable from prior periods.

REQUIRED SUPPLEMENTAL INFORMATION

TOWN OF JONESVILLE, LOUISIANA
Statement of Revenues, Expenditures, & Changes in Fund Balance
Budget & Actual
General and Special Revenue Funds
For the Year Ended June 30, 2023

	BUDGET AMOUNTS		Actual Amounts	VARIANCES FAVORABLE (UNFAVORABLE)
	Original	Final	Budgetary Basis	
REVENUES				
Taxes	\$ 575,000	\$ 600,000	\$ 538,880	\$ (61,120)
Licenses and Permits	35,000	135,000	169,460	34,460
Rentals	25,000	57,000	25,036	(31,964)
Intergovernmental	465,000	475,000	647,753	172,753
Grants	605,000	441,582	100	(441,482)
Fines	200,000	280,000	297,360	17,360
Charges for Services	245,000	235,000	185,535	(49,465)
Other	50,000	50,000	118,534	68,534
TOTAL REVENUES	<u>2,200,000</u>	<u>2,273,582</u>	<u>1,982,658</u>	<u>(290,924)</u>
EXPENDITURES				
General Government	637,672	1,006,400	607,799	398,601
Public Safety:				
Police	593,717	628,600	572,838	55,762
Fire	-0-	-0-	-0-	-0-
Public Works:				
Streets	526,265	611,105	412,492	198,613
Sanitation	162,000	135,000	121,286	13,714
Recreation	4,500	1,780	12,183	(10,403)
Airport	10,750	10,750	1,139	9,611
Capital Outlay	163,320	166,748	263,181	(96,433)
Debt Service	-0-	-0-	319,118	(319,118)
TOTAL EXPENDITURES	<u>2,098,224</u>	<u>2,560,383</u>	<u>2,310,036</u>	<u>250,347</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>101,776</u>	<u>(286,801)</u>	<u>(327,378)</u>	<u>(40,577)</u>
OTHER FINANCING SOURCES (USES)				
Interest Income	400	500	815	315
Transfer In/(Out)	300,000	132,170	318,235	186,065
TOTAL OTHER FINANCING SOURCES (USES)	<u>300,400</u>	<u>132,670</u>	<u>319,050</u>	<u>186,380</u>
NET CHANGE IN FUND BALANCE	<u>\$ 402,176</u>	<u>\$ (154,131)</u>	<u>\$ (8,328)</u>	<u>\$ 145,803</u>
FUND BALANCE - BEGINNING			<u>1,144,660</u>	
FUND BALANCE - ENDING			<u>\$ 1,136,332</u>	

See independent auditor's report.

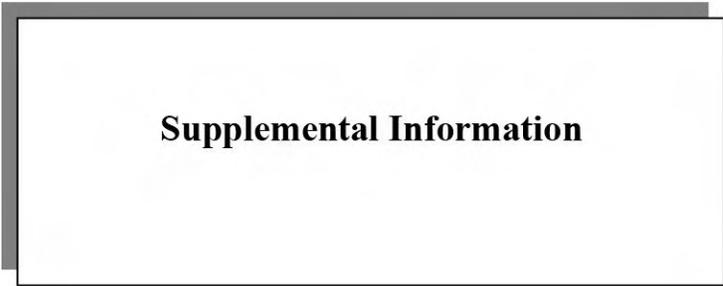
TOWN OF JONESVILLE, LOUISIANA
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the GAAP basis, and variances between the final budget and the actual data.

Budget Amendments and Revisions

The budget is adopted by the Town Council. Amendments can be made on the approval of the Town Council. A budgetary comparison is presented for the General Fund and each major special revenue fund consistent with accounting principles generally accepted in the United States of America.



Supplemental Information

TOWN OF JONESVILLE, LOUISIANA
Schedule of Compensation Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended June 30, 2023

Honorable Hiram Evans, Mayor
 July 1, 2022- December 31, 2022

Purpose	Amount	
Salary	\$	18,604
Benefits-Insurance		-0-
Benefits-Retirement		-0-
Benefits (Expense Allowance)		-0-
Car Allowance		-0-
Vehicle Provided by Government		-0-
Per Diem		-0-
Reimbursements		-0-
Travel		-0-
Registration Fees		-0-
Conference Travel		-0-
Continuing Professional Education Fees		-0-
Housing		-0-
Un-vouchered Expenses*		-0-
Special Meals	\$	-0-

*An example of an un-vouchered expense would be a travel advance.

See independent auditor's report.

TOWN OF JONESVILLE, LOUISIANA
Schedule of Compensation Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended June 30, 2023

Honorable Loria Hollins, Mayor
 January 1, 2023-June 30, 2023

Purpose	Amount
Salary	\$ 20,740
Benefits-Insurance	-0-
Benefits-Retirement	-0-
Benefits (Expense Allowance)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	-0-
Travel	-0-
Registration Fees	-0-
Conference Travel	-0-
Continuing Professional Education Fees	-0-
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

*An example of an un-vouchered expense would be a travel advance.

See independent auditor's report.

**Town of Jonesville
Jonesville, Louisiana
Justice System Funding Schedule – Collecting/Disbursing Entity
Year Ended June 30, 2023**

	First Six Months Ended 12/31/2022	Second Six Months Ended 06/30/2023
Beginning Balance of Amounts Collected	\$	\$
Add: Collections		
Bonds Forfeited	75,175	48,838
Fines Collected	125,953	47,394
Subtotal Collections	<u>201,128</u>	<u>96,232</u>
Less: Disbursements to Governments & Nonprofits		
Department of Health and Hospital	3,950	670
State Treasurer – CMIS	1,353	414
LA Commission on Law Enforcement	1,651	1,316
LA Supreme Court Education Fund	356	84
Central LA Juvenile Fund	4,988	1,040
LA Chiefs of Police	-0-	-0-
North Louisiana Criminalistics Lab	3,504	1,390
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-0-	-0-
Subtotal Disbursements/Retainage	<u>15,802</u>	<u>4,914</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained	<u>185,326</u>	<u>91,318</u>
Ending Balance of “Partial Payments” Collected but not Disbursed	-0-	-0-
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected	-0-	-0-
Total Waivers During the Fiscal Period	\$ -0-	\$ -0-

See independent auditor’s report.

Other Reports

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Loria Hollins, Mayor
& Members of the Town Council
Jonesville, LA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Jonesville, Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Jonesville's basic financial statements and have issued our report thereon dated February 26, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Jonesville's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Jonesville's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Jonesville's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. During our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Jonesville's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our test disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items: **2023-1 Deposits in Excess of FDIC & Pledged Securities Coverage, 2023-2 Annual Filing of Financial Statements, 2023-3 Bond Reserve Accounts Required by Bond Covenants, 2023-4 Budget Variance, and 2023-5 Unremitted Traffic Ticket Fees.**

The Town of Jonesville's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Jonesville's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Town of Jonesville's response was not subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a public document, and its distribution is not limited.

The Vercher Group

Jena, Louisiana
February 26, 2024

TOWN OF JONESVILLE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2023

Section II – Financial Statement Findings

2023-1 Deposits in Excess of FDIC & Pledged Securities Coverage (Compliance)

Condition: Bank deposits at Catahoula LaSalle Bank were under secured by \$200,617 as of June 30, 2023.

Criteria: State law requires banks to pledge securities to secure account balances in excess of FDIC coverage.

Cause of Condition: Oversight by bank.

Potential Effect of Condition: Loss to the Town in the event of a bank failure.

Recommendation: The Town's accounting department should contact the bank periodically to determine the account balances are properly secured.

Client Response and Corrective Action: The Town's accounting department will periodically contact the bank to determine that bank accounts are fully secured.

Contact Person: Loria Hollins, Mayor

Anticipated Date: June 30, 2024

2023-2 Annual Filing of Financial Statements (Compliance)

Condition: The Town did not file their financial statements with the Legislative Auditor on a timely basis.

Criteria: (Required for financial audits performed under *Government Auditing Standards*): LSA-RS 24.514, LSA-RS 33.463, and/or LSA-RS 39.92, as applicable, require that governmental units file their financial statements annually with the Legislative Auditor's Office within six months of the entity's year end closing.

Cause of Condition: Not having the financial statements completed on time.

Potential Effect of Condition: Potential compliance violation and a freeze on grant funding.

Recommendation: The Town should have their audit completed in time to file with the Legislative Auditor's Office within six months of the Town's year end closing.

Client Response and Corrective Action: The Town will have their audit completed in time to file with the Legislative Auditor's Office within six months of the Town's year end closing.

TOWN OF JONESVILLE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2023

Section II – Financial Statement Findings

Contact Person: Loria Hollins, Mayor

Anticipated Date: June 30, 2024

2023-3 Bond Reserve Accounts Required by Bond Covenants (Compliance)

Condition: The Town did not maintain some of its bond reserve accounts as required by its bond covenants.

Criteria: The Town has multiple bond indentures which require bond reserve accounts to be funded.

Cause of Condition: The Town over/underfunding reserve accounts.

Effect of Condition: Potential noncompliance with bond indentures.

Recommendation: The Town should review bond covenants and maintain its reserve accounts in accordance with bond indenture requirements.

Client Response and Corrective Action: The Town will review bond covenants and fund reserve accounts appropriately going forward.

Contact Person: Loria Hollins, Mayor

Anticipated Date: June 30, 2024

2023-4 Budget Variance (Compliance)

Condition: The Town had an unfavorable revenue variance of \$290,924 or 12.9% in its general fund for the year ended June 30, 2023.

Criteria: The Budget Act requires that budgets be amended when the variance exceeds 5%.

Cause of Condition: Underbudgeting Revenues.

Effect on Condition: Violation of the Budget Act.

Recommendation: The Town should amend the budget when there is an unfavorable variance in revenues or expenditures of more than 5%.

TOWN OF JONESVILLE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2023

Section II – Financial Statement Findings

Client Response and Corrective Action: The Town will amend the budget when there is an unfavorable variance in revenues or expenditures of more than 5%.

Contact Person: Loria Hollins, Mayor

Anticipated Date: June 30, 2024

2023-5 Unremitted Traffic Ticket Fees (Compliance)

Condition: During a prior audit, it was noted that the Town had not remitted certain fees collected for traffic tickets on behalf of different state agencies for several months.

Criteria: The Louisiana Legislature imposes additional fees on traffic violations which are collected by municipalities and then remitted to the appropriate State agencies.

Cause of Condition: Nonpayment of fees collected on behalf of various State agencies.

Effect of Condition: Before adjusting entries were made, fines and forfeitures were overstated and accounts payable were understated.

Recommendation: We recommend that the Town report and remit traffic fees in a timely manner.

Client Response and Corrective action: Management will work on this for the fiscal year 2023.

Contact Person: Loria Hollins, Mayor

Anticipated Date: June 30, 2024

Section III Federal Awards Findings and Questioned Costs

Not applicable.

TOWN OF JONESVILLE, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION
FOR CURRENT YEAR AUDIT FINDINGS

2023-1 Deposits in Excess of FDIC & Pledged Securities Coverage

Findings: Bank deposits at Catahoula LaSalle Bank were under secured by \$200.617 as of June 30, 2023.

Corrective Action: The Town's accounting department will periodically contact the bank to determine that bank accounts are fully secured.

Contact Person: Loria Hollins

Anticipated Completion Date: June 30, 2024

2023-2 Annual Filing of Financial Statements

Findings: The Town did not timely file their financial statements with the Legislative Auditor on a timely basis.

Corrective Action: The Town will have their audit completed in time to file with the Legislative Auditor's Office within six months of the Town's year end closing.

Contact Person: Loria Hollins

Anticipated Completion Date: June 30, 2024

2023-3 Bond Reserve Accounts Required by Bond Covenants

Finding: The Town did not maintain some of its bond reserve accounts as required by its bond covenants. The Town has multiple bond indentures which require bond reserve accounts to be funded.

Corrective Action: The Town will review bond covenants and fund reserve accounts appropriately going forward.

Contact Person: Loria Hollins, Mayor

Anticipated Completion Date: June 30, 2024

TOWN OF JONESVILLE, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION
FOR CURRENT YEAR AUDIT FINDINGS-CONT.

2023-4 Budget Variance

Finding: The Town of Jonesville had an unfavorable revenue variance of \$290,924 or 12.8%. The Budget Act requires that budgets be amended when the variance exceeds 5%.

Corrective Action: The management of the Town of Jonesville will begin amending its budget when expenditures are more than 5% of budgeted amounts.

Contact Person: Loria Hollins

Anticipated Completion Date: June 30, 2024

2023-5 Unremitted Traffic Ticket Fees

Finding: During a prior audit, it was noted that the Town had not remitted certain fees collected for traffic tickets on behalf of different state agencies for several months. The Louisiana Legislature imposes additional fees on traffic violations which are collected by municipalities and then remitted to the appropriate State agencies.

Corrective Action: The Town will report and remit traffic fees in a timely manner.

Contact Person: Loria Hollins

Anticipated Completion Date: June 30, 2024

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MEMBERS

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Certified Public Accountants

Society of Louisiana
Certified Public Accountants

Association of
Certified Fraud Examiners

MANAGEMENT LETTER COMMENTS

No items to report.

TOWN OF JONESVILLE, LOUISIANA
June 30, 2023

MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Town of Jonesville, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended June 30, 2022.

PRIOR YEAR FINDINGS

2022-1 Deposits in Excess of FDIC & Pledged Securities Coverage (Unresolved)

Condition: Bank deposits at Catahoula LaSalle Bank were under secured by \$175,188 as of June 30, 2022.

Criteria: State law requires banks to pledge securities to secure account balances in excess of FDIC coverage.

Cause of Condition: Oversight by bank.

Potential Effect of Condition: Loss to the Town in the event of a bank failure.

Recommendation: The Town's accounting department should contact its bank periodically to determine that account balances are properly secured.

2022-2 Annual Filing of Financial Statements (Unresolved)

Condition: The Town did not file their financial statements with the Legislative Auditor on a timely basis.

Criteria: (Required for financial audits performed under *Government Auditing Standards*): LSA-RS 24.514, LSA-RS 33.463, and/or LSA-RS 39-92, as applicable, require that governmental units file their financial statements annually with the Legislative Auditor's Office within six months of the entity's year end closing.

Cause of Condition: Not having the financial statements completed on time.

Potential Effect of Condition: Compliance finding and a freeze on grant funding.

TOWN OF JONESVILLE, LOUISIANA
June 30, 2023

MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS

PRIOR YEAR FINDINGS CONTINUED

Recommendation: The Town should have their audit completed in time to file with the Legislative Auditor's Office within six months of the Town's year end closing.

2022-3 Budget Variances (Unresolved)

Condition: The Town of Jonesville had an unfavorable expenditure variance of \$283,296 or 13.4%.

Criteria: The Budget Act requires that budgets be amended when the variance exceeds 5%.

Cause of Condition: The Town of Jonesville did not correctly budget the Capital Outlay or Debt Service expenses.

Potential Effect of Condition: The Town of Jonesville having an unfavorable expenditure variance and violating the Budget Act.

Recommendation: The Town of Jonesville should amend the budget when expenditure is more than 5% of budgeted amounts.

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Loria Hollins, Mayor
& Members of the Town Council
Jonesville, Louisiana

We have performed the procedures enumerated below, which were agreed to by Town of Jonesville and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the period July 1, 2022, to June 30, 2023. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Exception: The Town has not adopted a policy and procedure for Information Technology Disaster Recovery.

Management Response: The Town will adopt a policy and procedure for Information Technology Disaster Recovery.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to*

public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to managements corrective action plan at each meeting until the findings are considered fully resolved.

No exceptions noted in the procedures performed.

Bank Reconciliations

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions noted in the procedures performed.

Collections (excluding electronic funds transfers)

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

No exceptions noted in the procedures performed.

- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their

job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that.

- a) Employees responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

No exceptions noted in the procedures performed.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Exception: The Town does not make deposits within one (1) day of collection.

Management: The Town will make deposits daily.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e) Only employees/officials authorized to sign checks approve the electronic disbursements (release) of funds, whether through automated clearinghouse (ACH), electric funds transfer (EFT), wire transfer, or some other electronic means.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
 - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
11. Using the entity's main operating account and the month selected in bank reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

No exceptions noted in the procedures performed.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement

for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

No exceptions noted in the procedures performed.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted in the procedures performed.

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted in the procedures performed.

Payroll and Personnel

17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials'

authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted in the procedures performed.

Ethics

21. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
 - a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S.42:1170.

Exception: Two of the five employees did not have the current ethics training.

Management Response: The Town will ensure every employee and board member is current on training.

Debt Service

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
24. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

No exceptions noted in the procedures performed.

Fraud Notice

25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
26. Observe the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions noted in the procedures performed.

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures. **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
 - a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9c. Observe evidence that the selected terminated employees have been removed from or disabled from the network.

No exceptions noted in the procedures performed.

Prevention of Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
 - a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action, and
 - e) Amount of time it took to resolve each complaint.

No exceptions noted in the procedures performed.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

The Vercher Group

Jena, Louisiana
February 26, 2024