VILLAGE OF DRY PRONG, LOUISIANA

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025

Rozier McKay & Willis
CERTIFIED PUBLIC ACCOUNTANTS

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August 20, 2025

Independent Auditors' Report

To the Mayor and Board of Aldermen
Village of Dry Prong, Louisiana

REPORT ON THE AUDIT OF 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 Village of Dry Prong, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Village'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 Village of Dry Prong, as of June 30, 2025, 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 *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 Village of Dry Prong 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Village of Dry Prong'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 the aggregate, they would influence the judgment 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 judgment 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 Village of Dry Prong's 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Dry Prong'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 described in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Village of Dry Prong's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to the Agency Head or Chief Executive Officer, the Schedule of Per Diem Paid to Board Members, and the Justice System Funding Schedule, described as additional information in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The additional information is 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 additional information is 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 August 20, 2025 on our consideration of the Village of Dry Prong'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 Village of Dry Prong's internal control over financial reporting and compliance.

Rozier, McKay & Willis
Certified Public Accountants

This section of Village of Dry Prong's annual financial report presents our discussion and analysis of the Village's financial performance during the fiscal year ended June 30, 2025.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Village's financial position and results of operations from differing perspectives which are described as follows:

Government –Wide Financial Statements

The government-wide financial statements report information about the Village as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Village's assets (including infrastructure acquired after July 1, 2001) and all of the Village's liabilities (including long-term debt).

The government-wide financial statements are divided into two categories, which are described as follows:

- **Governmental Activities** – Expenses incurred in connection with providing basic services including police protection, fire protection, culture, recreation, public works and general administration are reported as governmental activities. The governmental activities are financed by taxes, license fees, fines, court cost, interest, grants and contributions.
- **Business-Type Activities** – Expenses associated with providing water and sewer services are recovered through fees paid by the customers that utilize these services. These activities are operated in a manner similar to commercial enterprises. Accordingly, activities associated with water and sewer services are reported as business type activities.

Fund Financial Statements

Fund financial statements provide detailed information regarding the Village's most significant activities and are not intended to provide information for the Village as a whole. Funds are accounting devices that are used to account for specific sources of funds. The Village has two types of funds that are described as follows:

- **Governmental Funds** – These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental funds use a modified accrual basis of accounting that provides a short-term view of the Village's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.
- **Proprietary Fund** – These funds are used to account for activities that function in a manner similar to commercial enterprises, including activities associated with the Village's water and sewer services. Proprietary fund financial statements typically provide a more

detailed presentation of the information reported in the business-type activities portion of the government-wide financial statements.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

A comparative analysis of government-wide data is presented as follows:

Net Position

A condensed version of the government-wide Statement of Net Position is presented as follows:

	June 30, 2025			
	Govern-mental Activities	Business-Type Activities	Total	June 30, 2024
Assets:				
Current and Other Assets	$ 105,742	$ 259,274	$ 365,016	$ 254,448
Internal Balances	381,955	(381,955)	----	----
Capital Assets	417,289	2,211,691	2,628,980	2,745,739
Total Assets	904,986	2,089,010	2,993,996	3,000,187
Deferred Outflows:	216,446	----	216,446	136,118
Liabilities:				
Current and Other Liabilities	85,316	44,147	129,463	146,035
Long-term Liabilities	290,753	65,122	355,875	249,728
Total Liabilities	376,069	109,269	485,338	395,763
Deferred Inflows:	7,940	----	7,940	56
Net Position:				
Invested in Capital Assets (Net)	417,289	2,146,569	2,563,858	2,629,076
Restricted	3,109	----	3,109	3,109
Unrestricted	317,025	(166,828)	150,197	108,301
Total Net Position	$ 737,423	$ 1,979,741	$ 2,717,164	$ 2,740,486

As the presentation appearing above demonstrates, the largest portion of the Village's net position (94.4%) is invested in capital assets. Net Position invested in capital assets consist of land, buildings, and equipment less any debts used to acquire assets that remain outstanding. In addition, net position invested in capital assets also include any infrastructure acquired after July 1, 2001. The Village uses these capital assets to provide services to its citizens; consequently, these amounts are not available for future spending.

An additional portion of the net position (0.1%) is subject to restrictions that are imposed by revenue sources.

The remaining net position (5.5%), is unrestricted and can be used at the discretion of the governing body.

Changes in Net Position

A condensed version of the government-wide Statement of Changes in Net Position is presented as follows:

	For the Year Ended June 30, 2025			For the Year Ended June 30, 2024
	Govern-mental Activities	Business-Type Activities	Total	
Revenues:				
Program Revenue:				
Charges for Services	$ 285,311	$ 257,028	$ 542,339	$ 404,460
Operating Grants and Contributions	46,102	----	46,102	12,000
Capital Grants and Contributions	----	----	----	----
General Revenue:				
Property Taxes	15,868	----	15,868	15,802
Franchise Taxes	21,755	----	21,755	20,399
Sales Taxes	114,112	----	114,112	106,678
Occupational Licenses	51,756	----	51,756	49,143
Miscellaneous	56,260	----	56,260	29,310
Total Revenue	591,164	257,028	848,192	637,792
Program Expenses:				
General Government	215,813	----	215,813	203,962
Streets	42,552	----	42,552	42,511
Public Safety				
Police Department	328,829	----	328,829	262,910
Utilities	----	284,320	284,320	285,777
Total Expenses	587,194	284,320	871,514	795,160
Change in Net Position	3,970	(27,292)	(23,322)	(157,368)
Net Position Beginning	733,453	2,007,033	2,740,486	2,897,854
Net Position Ending	$ 737,423	$ 1,979,741	$ 2,717,164	$ 2,740,486

Governmental activities increased the Village's net position by $3,970. The increase is attributable to prudent management of the Village's resources.

Business-type activities decreased the Village's net position by $27,292. The decrease is attributable to depreciation of assets acquired with grant funds in previous years. Changes in net position excluding capital grants, contributions and depreciation for the utility system are presented as follows:

	Current	Prior
Change in Net Position	$ (27,292)	$ (67,533)
Capital Grants and Contributions	----	----
Depreciation	99,782	143,566
Change in Net Position Excluding Capital Grants, Contributions and Depreciation	$ 72,490	$ 76,033

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

For the year ended June 30, 2025, activity in governmental funds included the general fund and the sales tax fund. The only differences between amounts reported by the governmental funds and governmental activities reported in the government-wide financial statements are attributable to pension liabilities and fixed assets and debt in the government-wide presentation.

Amounts reported for business-type activities in the Village's individual funds are identical to the business-type activities reported in the government-wide presentation.

BUDGET HIGHLIGHTS

Actual expenditures were more than budgeted by 59,327. Budget variances for expenditures were not within the range allowed by Louisiana Revised Statutes.

CAPITAL ASSET ADMINISTRATION

For the year ended June 30, 2025, activity was limited to depreciating existing capital assets, two new police vehicles and a new water truck.

DEBT ADMINISTRATION

Activity was limited to making scheduled payments on existing outstanding debt.

FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS

At the present time, management is not aware of any matters that are expected to have substantial consequences for future operations.

VILLAGE OF DRY PRONG

STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 85,297	$ 227,916	$ 313,213
Receivables (net)	20,445	31,358	51,803
Internal balances	381,955	(381,955)	-
Land	51,883	41,369	93,252
Depreciable capital assets, net	365,406	2,170,322	2,535,728
Total assets	904,986	2,089,010	2,993,996
DEFERRED OUTFLOWS			
Pension Funding Deferrals	$ 216,446	$ -	$ 216,446
LIABILITIES			
Accounts payable	27,681	-	27,681
Delayed revenue	57,635	-	57,635
Accrued interest payable	-	2,672	2,672
Meter deposits	-	41,475	41,475
Long-term liabilities			
Aggregate net pension liability	262,485	-	262,485
Long-term debt			
Due within one year	9,455	15,279	24,734
Due in more than one year	18,813	49,843	68,656
Total liabilities	376,069	109,269	485,338
DEFERRED INFLOWS			
Pension Funding Deferrals	7,940	-	7,940
NET POSITION			
Invested in capital assets, net of related debt	417,289	2,146,569	2,563,858
Restricted for:			
Street improvements	3,109	-	3,109
Unrestricted	317,025	(166,828)	150,197
Total net position (deficit)	$ 737,423	$ 1,979,741	$ 2,717,164

The accompanying notes are an integral part of the financial statements.

VILLAGE OF DRY PRONG

STATEMENT OF ACTIVITIES

Year Ended June 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	$ 215,813	$ -	$ 46,102	$ -	$ (169,711)	$ -	$ (169,711)
Streets	42,552	-	-	-	(42,552)	-	(42,552)
Public Safety							
Law Enforcement	328,829	285,311	-	-	(43,518)	-	(43,518)
Total Governmental Activities	587,194	285,311	46,102	-	(255,781)	-	(255,781)
Business-Type Activities:							
Utility Service	284,320	257,028	-	-	-	(27,292)	(27,292)
Total Business-Type Activities	284,320	257,028	-	-	-	(27,292)	(27,292)
Total Primary Government	$ 871,514	$ 542,339	$ 46,102	$ -	(255,781)	(27,292)	(283,073)
General Revenues:							
Taxes:							
Ad Valorem					15,868	-	15,868
Franchise					21,755	-	21,755
Sales					114,112	-	114,112
Occupational Licenses					51,756	-	51,756
Miscellaneous					56,260	-	56,260
Total General Revenues					259,751	-	259,751
Change in Net Position					3,970	(27,292)	(23,322)
Net Position Beginning					733,453	2,007,033	2,740,486
Net Position Ending					$ 737,423	$ 1,979,741	$ 2,717,164

The accompanying notes are an integral part of the financial statements.

VILLAGE OF DRY PRONG

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	General	Sales Tax	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 82,188	$ 3,109	$ 85,297
Accounts receivable	20,445	-	20,445
Due from other funds	381,955	-	381,955
Total assets	$ 484,588	$ 3,109	$ 487,697
Liabilities and Fund Balance			
Liabilities			
Accounts payable	$ 27,681	$ -	$ 27,681
Delayed revenues	57,635	-	57,635
Total liabilities	85,316	-	85,316
Fund Balance			
Nonspendable:			
Long Term advances to other funds	122,670	-	122,670
Restricted For:			
Street improvements	-	3,109	3,109
Unassigned	276,602	-	276,602
Total Fund Balances	399,272	3,109	402,381
Total Liabilities and Fund Balance	$ 484,588	$ 3,109	$ 487,697

Reconciliation of the Governmental Funds Balance Sheets to the Statement of Net Position	
Total Fund Balances - Governmental Funds	$ 402,381
Amounts reported for governmental activities in the statement of net position are different because:	
Long term debt incurred to finance governmental activites does require the use of financial resources; therefore, the debt is excluded from the funds financial statements.	(82,247)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	417,289
Net Position of Governmental Activities	$ 737,423

The accompanying notes are an integral part of the financial statements.

VILLAGE OF DRY PRONG

Statement of Revenue, Expenditures and Changes in Fund Balance
Governmental Funds

Year Ended June 30, 2025

	General	Sales Tax	Total Governmental Funds
Revenues:			
Taxes:			
Ad valorem	$ 15,868	$ -	$ 15,868
Franchise	21,755	-	21,755
Sales tax	114,112	-	114,112
Occupational licenses	51,756	-	51,756
Fines and court cost	285,311	-	285,311
Intergovernmental	46,102	-	46,102
Miscellaneous	56,260	-	56,260
Total revenues	591,164	-	591,164
Expenditures:			
Current			
General government	210,090	-	210,090
Public safety - law enforcement	258,825	-	258,825
Capital outlay	17,795	-	17,795
Total expenditures	486,710	-	486,710
Excess (deficiency) of revenues over expenditures	104,454	-	104,454
Other sources (uses)			
Operating transfers in (out)	-	-	-
Net Change in fund balances	104,454	-	104,454
Fund balance - beginning of year	294,818	3,109	297,927
Fund balance - end of year	$ 399,272	$ 3,109	$ 402,381

The accompanying notes are an integral part of the financial statements.

VILLAGE OF DRY PRONG

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended June 30, 2025

Net change in fund balances of Governmental Funds		$ 104,454
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report repayment of debt as an expenditure, but in the government wide presention repayments are reported as a reduction in long term debt		8,617
Certain cost associated with defined benefit retirement arrangements do not require the use of current financial resources. Accordingly, these cost are excluded from the governmental fund presentation		(56,976)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. The effect of capital expenditures and depreciation is presented as follows:		
Capital Expenditures	17,795	
Loss on Disposal of Assets	(13,012)	
Depreciation	(56,908)	(52,125)
Change in net position of governmental activities		$ 3,970

The accompanying notes are an integral part of the financial statements.

VILLAGE OF DRY PRONG

Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-Type Activities Utility Enterprise Fund
ASSETS:	
Current Assets:	
Cash and cash equivalents	$ 227,916
Receivables (net)	31,358
Total current assets	259,274
Noncurrent Assets:	
Capital Assets:	
Land	41,369
Depreciable capital assets, net	2,170,322
Total noncurrent assets	2,211,691
Total assets	2,470,965
LIABILITIES:	
Current Liabilities:	
Other Current Liabilities	2,672
Due to other funds	381,955
Meter deposits	41,475
Current portion of certificate of indebtedness	15,279
Total current liabilities	441,381
Noncurrent Liabilities:	
Certificate of indebtedness	49,843
Total liabilities	491,224
NET POSITION	
Invested in capital assets, net of related debt	2,146,569
Unrestricted	(166,828)
Total net position (deficit)	$ 1,979,741

The accompanying notes are an integral part of the financial statements.

VILLAGE OF DRY PRONG

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2025

	Business-Type Activities Utility Enterprise Fund
Operating revenues:	
Charges for services	$ 244,070
Other income	12,958
Total Operating Revenues	257,028
Operating expenses:	
Salaries and payroll taxes	43,872
Chemicals and supplies	41,523
Depreciation	99,782
Repairs and maintenance	61,180
Legal and professional	5,432
Utilities	25,898
Miscellaneous	5,103
Total operating expenses	282,790
Operating income (loss)	(25,762)
Non-operating revenues (expenses):	
Interest expense	(1,530)
Total Non-operating	(1,530)
Income (loss) before capital contributions and transfers	(27,292)
Capital Contributions	-
Change in net position	(27,292)
Total net position - beginning	2,007,033
Total net position - ending	$ 1,979,741

The accompanying notes are an integral part of the financial statements.

VILLAGE OF DRY PRONG

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2025

	Business-Type Activities Utility Enterprise Fund
Cash flow from operating activities:	
Cash received from customers	$ 252,503
Cash payments to suppliers of goods and services	(139,136)
Cash payments to employees for services	(43,872)
Net cash provided (used) by operating activities	69,495
Cash flows from non-capital financing activities:	
Increase (Decrease) cash advances due to other funds	95,405
Net cash provided (used) by non-capital financing activities	95,405
Cash flows from capital and related financing activities:	
Payments for acquisition of capital assets	(35,148)
Principle paid on debt	(14,656)
Interest paid on debt instruments	(1,794)
Net cash provided (used) by capital and related financing activities	(51,598)
Cash flows from investing activities:	
Interest and other income	-
Net cash provided (used) by investing activities	-
Net increase (decrease) in cash	113,302
Beginning cash balance	114,614
Ending cash balance	227,916
Restricted cash	-
Unrestricted cash	$ 227,916
Reconciliation of operating income (loss) to net cash	
Operating income (loss)	$ (25,762)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	99,782
(Increase) decrease in accounts receivable	(5,675)
(Increase) decrease in payables	-
(Decrease) increase in meter deposits	1,150
Net cash provided (used) by operating activities	$ 69,495

Supplemental disclosures of cash flow information:
For the year ended June 30, 2025, there were no operating, financing, or investing activities that did not result in cash receipts or payments.

The accompanying notes are an integral part of the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Dry Prong (the Village) was incorporated under the provisions of the Lawrason Act. The Village is governed by a Mayor and a Board of Alderman consisting of three (3) members. Services provided by the Village include police protection and street maintenance. The Village also operates a water distribution system and a sewer system.

The accompanying policies conform to generally accepted accounting principles for governmental units.

Financial Reporting Entity

As the municipal governing authority, for reporting purposes, the Village is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the Village), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards established criteria for determining which component units should be considered part of the Village of Dry Prong for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. Criteria to be considered in determining financial accountability include:

1. Appointing a voting majority of an organization's governing body, and

    a) The ability of the Village to impose its will on that organization and/or

    b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Village.

2. Organizations for which the Village does not appoint a voting majority but are fiscally dependent on the Village.

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based upon application of these criteria, there were no potential component units and all of the Village's activities were included in the primary government reporting entity.

Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize activities as either governmental activities or business-type activities, which are described as follows:

- Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.
- Business-type activities rely on fees and charges for support and operate in a manner similar to private sector enterprises.

The government-wide and fund financial statements present the Village's financial position and results of operations from differing perspectives which are described as follows:

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Village as a whole. The effect of most interfund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude any fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service or business-type activity. Program revenues include charges for services, fines, court cost, contributions associated with a particular function and most grants.

Fund Financial Statements

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Separate financial statements are provided for governmental funds and proprietary funds. In addition, separate financial statements are presented for any fiduciary activities. Major individual funds are reported as separate columns in the fund financial statements. The Village's major funds are described as follows:

- Governmental Funds – The Village's active major governmental funds include the general fund, sales tax fund and the debt service fund. The general fund is the primary operating fund and is used to account for all governmental activities except those required to be reported in another fund. The sales tax fund is a special revenue fund used to account for sales tax revenue designated for street improvements within the Village. The debt service fund is used accumulate resources for the repayment of sales tax revenue bonds issued to finance street construction.
- Proprietary Funds – Are used to account for business type activities. The operations of the Village's Utility System utilize a single proprietary fund. Revenue earned in exchange for providing services is reported as operating income and revenue from other sources is reported as non-operating.

Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

Financial Statement Presentation	Basis of Accounting	Measurement Focus
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements:		
Governmental Funds	Modified Accrual Basis	Current Financial Resources
Proprietary Funds	Accrual Basis	Economic Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end. In addition, expenses are generally recorded when a liability has been incurred; however, debt service, compensated absences, claims and judgments are recorded as expenses when payment is made. Furthermore, when the current financial resources measure focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as expenditures. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are reported as other financing sources and repayment of long-term debt is reported as an expenditure of funds.

Non-Exchange Transactions

Revenue from certain non-exchange transactions cannot be properly measured prior to collection. Furthermore, it is not practical to determine the probability of collection resulting from certain non-exchange transactions such as traffic citations. Consequently, revenue from franchise taxes, fines and court cost is not recognized until it is collected.

Use of Estimates

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Restricted Assets

Restricted assets represent resources that must be expended in a specific manner. Restrictions of this nature are imposed by various contractual obligations including grant agreements, tax propositions, and bond covenants.

Budget Practices

The Mayor prepares annual budgets for the Village's general fund and special revenue fund. These budgets are submitted to the Board of Aldermen and the approved budgets are adopted before the beginning of

each fiscal year. Amended budgets are prepared prior to the conclusion of each fiscal year. The amended budgets are prepared and approved in the same manner as the original budget.

The general fund and special revenue fund budgets present revenue and expenditures on a basis which is consistent with generally accepted accounting principles. The Village's remaining funds are not required to adopt budgets.

Capital Assets

Capital assets are carried at historical cost or estimated historical cost including interest incurred during construction. Prior to July 1, 1989, there were few records supporting the cost; therefore, costs related to the Village's utility system were estimated based on information furnished by the Village's consulting engineers. Cost of buildings and equipment acquired prior to July 1, 1989 were estimated based on replacement cost.

Infrastructure capital assets consisting of streets, bridges, sidewalks and drainage systems acquired before July 1, 2001 are excluded from capital assets. Depreciation associated with capital assets is computed using the straight-line method over the estimated useful lives of the assets.

Cash and Cash Equivalents:

Amounts reported as cash and cash equivalents include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments. Credit risk associated with bank deposits is limited by requiring fiscal agent banks to pledge securities as required by State Law. Furthermore, interest rate risk associated with certificates of deposits is typically mitigated by purchasing instruments that mature in one year or less.

Delayed Revenue:

Amounts collected from grant programs are reported as delayed revenue until the Village has complied with the terms and conditions of the grant program. The amount reported as delayed revenue represents the unexpended portion of grant receipts that are required to be used for specific purposes.

Internal Balances:

All funds paid to vendors are typically disbursed from the General Fund. Amounts paid by the General Fund on behalf of other funds and any reimbursements received by the General Fund are reported as internal receivables and payables. In the government-wide Statement of Net Position internal balances are eliminated except for the presentation of net residual amounts due between governmental and business-type activities.

Fund Balance Classification:

Approval of the majority of the Board of Aldermen is required to approve the commitment of fund balances. In situations where it is permissible to spend restricted or committed resources, the Village typically depletes the available restricted or committed resources before consuming unrestricted resources.

Statement of Cash Flows:

For the purpose of reporting cash flows, cash and cash equivalents includes all cash on hand, cash in banks and certificates of deposit.

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash deposited in banks is stated at cost, which approximates market. Under state law, these deposits 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. At June 30, 2025, the Village has $313,115 in deposits ($324,119 collected bank balance). These deposits are fully protected by federal deposit insurance.

NOTE 3 - RECEIVABLES

Receivables at June 30, 2025, are summarized as follows:

	Governmental Activities	Business-Type	Total
Sales Tax	$ 19,998	$ ----	$ 19,998
Utility Accounts	----	43,108	43,108
Miscellaneous	447	----	447
Reserve for Doubtful Accounts	----	(11,750)	(11,750)
Total	$ 20,445	$ 31,358	$ 51,803

NOTE 4 - LONG-TERM DEBT

Details related to each component of long term debt are presented as follows:

Certificates of Indebtedness

Revenue bonds by fund type are presented as follows:

	Governmental Activities	Business-Type	Total
Beginning Balance	$ 36,885	$ 79,778	$ 116,663
New issues	----	----	----
Retirements	8,617	14,656	23,273
Ending Balance	28,268	65,122	93,390
Due within one year	9,455	15,279	24,734
Due in more than one year	$ 18,813	$ 49,843	$ 68,656

Components of the Village's long-term debt are described as follows:

	Governmental Activities	Business-Type
The Village settled a dispute with the Municipal Police Employees Retirement System (MPERS) by agreeing to make 48 monthly payments in the amount of $974 each. The initial balance was $38,916 and interest is based on the MPERS projected rate of return, which amounts to 9.3%	$ 28,268	$ ----
$162,000 Limited Tax Certificate of Indebtedness directly borrowed from lender September 20, 2016 due in annual installments including interest at a rate of 4.25%, with the final installment due September 1, 2028	----	65,122
Total	$ 28,268	$ 65,122

A schedule of maturities of long-term debt follows for the years ended June 30:

	Governmental Activities		Business-Type Activities	
Year Ended June 30th	Principal	Interest	Principal	Interest
2026	$ 9,455	$ 2,237	15,279	2,443
2027	10,375	1,317	15,928	1,780
2028	8,438	331	16,605	1,089
2029	----	----	17,310	368
2030	----	----	----	----
Total	$ 28,268	$ 3,885	$ 65,122	$ 5,680

NOTE 5 – TAXES:

Ad Valorem Taxes

The Village bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Grant Parish. For the year ended June 30, 2025, the Village levied 5.68 mills for general corporate purposes.

Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Revenues from ad valorem taxes are recognized as revenue in the year billed.

Sales and Use Taxes

On December 5, 2020, voters of the Village approved a one percent sales and use tax effective January 1, 2021 and expiring December 31, 2029. The proceeds of the sales tax are available for any lawful

corporate purpose. Sales and use taxes are collected on behalf of the Village by the Grant Parish Sheriff's Office. Revenues from sales taxes are reported on the accrual basis.

NOTE 6 – CAPITAL ASSETS

A summary of the property and equipment reported by the Village on June 30, 2025 consists of the following:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities				
Land	$ 51,883	$ ----	$ ----	$ 51,883
Capital Assets Being Depreciated:				
Construction in Process	----	----	----	----
Street Improvements	791,747	----	----	791,747
Buildings and Improvements	218,602	----	----	218,602
Machinery and Equipment	198,889	17,795	(24,022)	192,662
Total	1,209,238	17,795	(24,022)	1,203,011
Less Accumulated Depreciation	791,707	56,908	(11,010)	837,645
Total Net of Depreciation	$ 417,531	$ (39,113)	$ (13,012)	$ 365,406
Business-Type Activities				
Land	$ 41,369	$ ----	$ ----	$ 41,369
Capital Assets Being Depreciated:				
Water Distribution System	$ 2,931,869	$ ----	$ ----	$ 2,931,869
Wastewater System	2,510,967	14,148	----	2,525,115
Equipment	290,982	21,000	----	311,982
Total	5,733,818	35,148	----	5,768,966
Less Accumulated Depreciation	3,498,862	99,782	----	3,598,644
Total Net of Depreciation	$ 2,234,956	$ (64,634)	$ ----	$ 2,170,322

Depreciation expense reported by various functions is presented as follows:

Governmental Activities:		
General Government	$	4,796
Streets		42,552
Police		9,560
Total Depreciation – Governmental Activities	$	56,908
Business-Type Activities:		
Utility Services	$	99,782

NOTE 7- RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Village insures against these risks by participating in a public entity risk pool that operates as a common insurance program and by purchasing commercial insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 8 – RESTRICTIONS AND COMMITMENTS

Details regarding limitations imposed on the use of various resources are summarized as follows:

Long Term Advances

A portion of the General Funds assets have been advanced to the utility funds and repayment is not anticipated in the near future. Since these resources are not available to finance current expenditures, a portion of the general fund balance is reported as non-spendable.

Street Improvements

In previous years the Village collected a sales tax that was restricted for street improvements. Resources remaining from the restricted sales tax are reported in a special revenue fund and the fund balance is reported as restricted for street improvements.

NOTE 9 – INTERFUND BALANCES

Interfund receivables and payables are described as follows:

	Governmental Activities Receivables (Payables)	Business-Type Activities Receivables (Payables)
As discussed in Note 1, interfund balances arise when the general fund disburses funds on behalf of the water and sewer funds. Reimbursements are submitted periodically but no significant reimbursements are expected within the next year.		
General Fund	$ 381,955	$ ----
Utility Fund	----	381,955
Government-Wide Totals	$ 381,955	$ 381,955

Interfund transfers have been completed to provide resources from the sales tax fund to the debt service fund established to repay debt issued to finance street improvements.

NOTE 10 - URAF CONTINGENCY

In order to accommodate highway improvements, the Village has been required to relocate underground utility infrastructure that was located in the State's highway right of way. Funding for the relocation was provided by the State's Utility Relocation Assistance Fund (URAF). Under the terms of the URAF arrangement, the Village is not obligated to repay the URAF funds but if voluntary payments are not made, the Village may be denied access to the State's right of way when conducting future construction projects.

NOTE 11 - PAYABLES

Payables at June 30, 2025, are summarized as follows:

	Governmental Activities
Payables to Vendors	$ 27,681
Payables Under Construction Contracts	----
Other	----
Total	$ 27,681

NOTE 12 – DELAYED REVENUES

Funding has been received from the American Rescue Plan Act (ARPA). Management does not consider these amounts to be earned until expenditures meeting certain requirements have been completed and the funding has not been declared as lost revenue. Accordingly, the unexpended portion has been reported as delayed revenues.

NOTE 13 – ON BEHALF PAYMENTS

The State of Louisiana provides supplemental pay for public safety employees that meet certain requirements. Amounts reported as revenue and expenditures in connection with State Supplemental Pay are presented as follows:

Police Department	$ 29,400

NOTE 14 – PENSION PLANS

Substantially all Town police officers are members of statewide retirement systems. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Information regarding each plan is presented as follows:

Municipal Police Employees' Retirement System of Louisiana

Plan Description - All full-time police department employees engaged in law enforcement are eligible to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

Funding Policy - Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the plan were equal to the required contributions for each of the past three years.

Financial Summary – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available stand alone financial report. The financial report includes information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at lampers.org. The plans net pension liability was determined at June 30, 2010 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	$ 3,750,021,042
Plan Fiduciary Net Position	2,844,025,169
Net Pension Liability	905,995,873
Town's Proportionate Share (Percentage)	0.028972%
Town's Proportionate Share (Amount)	$ 262,485

The Town's proportionate share has been determined based on employer contributions received by the plan. The net pension liability presented above was not affected by any special funding situations. Changes in the Town's proportionate share of Plan's net pension liability during the measurement period ending June 30, 2024 are provided as follows:

Beginning Net Pension Liability		$ 133,066
Employer Contributions		(34,706)
Pension Expense		
Proportionate Share of Plan Pension Expense	105,163	
Employee Contributions	(7,536)	97,627
Change in Deferred Outflows of Resources		74,382
Change in Deferred Inflows of Resources		(7,884)
Ending Net Pension Liability		$262,485

There were no changes between June 30, 2024 and the Plan's measurement date that are expected to have a significant effect on the Town's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Resources
Differences Between Expected and Actual Experience	$ 14,212	$ (7,940)	$ 6,272
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	7,296	----	7,296
Changes of Assumptions	----	----	----
Changes in Proportion	155,849	----	155,849
Employer Contributions Made After the Measurement Date	39,089	----	39,089
Total Deferrals	216,446	(7,940)	208,506
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	39,089	----	39,089
Deferrals Subject to Amortization	$ 177,357	$ (7,940)	$ 169,417

Deferrals that will be amortized as a component of pension expense in future periods are summarized as follows:

For the Year Ending:	
June 30, 2025	$ 61,858
June 30, 2026	86,215
June 30, 2027	25,946
June 30, 2028	(4,601)
Total	$ 169,418

A summary of the actuarial methods and assumptions used in determining the total pension liability as of the measurement date are as follows:

Expected Remaining Service Lives	4 Years	
Inflation Rate	2.5% per annum	
Projected Salary Increases Including Inflation and Merit	Years of Service	Salary Growth Rate
	1 - 2	12.30%
	Above 2	4.70%
Mortality Rates	• For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 sale was used. • For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used. • For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.	
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	

The best estimates of the arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Portfolio Real Rate of Return
Equity	52.00%	3.14%
Fixed Income	34.00%	1.07%
Alternatives	14.00%	1.03%
Totals	100.00%	5.24%
Inflation		2.62%
Expected Arithmetic Nominal Return		7.86%

The discount rate used to measure the total pension liability was 6.750%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period of July 1, 2014 through June 30, 2019, and review of similar law enforcement mortality. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

Sensitivity to changes in the discount has been determined by measuring net pension liability at a discount rate that is one percentage point lower and one percentage point higher than the current rate. The results are presented as follows:

	1% Decrease 5.75% Discount Rate	Current Discount Rate 6.750%	1% Increase 7.75% Discount Rate
Net Pension Liability	$ 389,915	$ 262,485	$ 156,106

VILLAGE OF DRY PRONG

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes:				
Ad valorem	$ 14,000	$ 14,000	$ 15,868	$ 1,868
Franchise	30,000	30,000	21,755	(8,245)
Sales Tax	100,000	100,000	114,112	14,112
Occupational licenses	40,000	40,000	51,756	11,756
Fines and Court Cost	190,000	190,000	285,311	95,311
Intergovernmental	-	-	46,102	46,102
Miscellaneous	8,000	8,000	56,260	48,260
Total revenues	382,000	382,000	591,164	209,164
General Government:				
Salary - mayor and aldermen	8,250	8,250	7,875	375
Salaries - other	71,473	71,473	40,919	30,554
Animal control	5,400	5,400	5,400	-
Community center	3,000	3,000	3,085	(85)
Contract labor	1,000	1,000	1,273	(273)
Dues and publications	2,500	2,500	810	1,690
Equipment purchases	10,000	10,000	982	9,018
Insurance	25,000	25,000	40,153	(15,153)
Legal and professional	28,600	28,600	30,252	(1,652)
Library	3,000	3,000	1,758	1,242
Office supplies	5,000	5,000	6,467	(1,467)
Payroll taxes and benefits	11,960	11,960	10,576	1,384
Printing and advertising	1,000	1,000	1,177	(177)
Repairs and maintenance	6,500	6,500	10,359	(3,859)
Streets and parks	8,000	8,000	24,843	(16,843)
Traffic ticket assessments	4,000	4,000	12,928	(8,928)
Utilities and telephone	25,000	25,000	9,908	15,092
Miscellaneous	4,000	4,000	1,324	2,676
Total general government	223,683	223,683	210,089	13,594

Continued…

VILLAGE OF DRY PRONG

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Public Safety:				
Police department				
Salaries and payroll taxes	113,200	113,200	146,120	(32,920)
Retirement contributions	49,000	49,000	50,269	(1,269)
Insurance	13,000	13,000	26,382	(13,382)
Fuel	10,000	10,000	8,679	1,321
Parts and supplies	7,500	7,500	10,780	(3,280)
Repairs and maintenance	7,500	7,500	10,507	(3,007)
Education and training	3,500	3,500	2,977	523
Miscellaneous	-	-	3,112	(3,112)
Total police department	203,700	203,700	258,826	(55,126)
Capital Expenditures	-	-	17,795	(17,795)
Total expenditures	427,383	427,383	486,710	(59,327)
Excess (deficiency) of revenues over expenditures	(45,383)	(45,383)	104,454	149,837
Other sources (uses)				
Operating transfers in (out)	-	-	-	-
Net Change in Fund Balances	(45,383)	(45,383)	104,454	149,837
Fund balance - beginning of year	168,022	168,022	295,267	127,245
Fund balance - end of year	$ 122,639	$ 122,639	$ 399,721	$ 277,082

Reconciliation
Budget Presentation to Generally Accepted Accounting Principles (GAAP) Presentaton

	Actual GAAP	Actual Adjustment	Budget
Revenue	591,164	(29,400)	561,764
Expenditures	486,710	(29,400)	457,310
Net Change in Fund Balance	104,454	-	104,454

On behalf payment in the amount of $29,400 were included in the GAAP presentation. The onbehalf payments were attributable to supplemental pay provided to the police department by the state. Because these payments are not part of the Village's appropriation procees, it was not appropriate to include onbehalf payments in the budget presentation.

VILLAGE OF DRY PRONG

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer
For the year ended June 30, 2025

Agency Head (Mayor) - John Landry

Purpose:		
Compensation	$	2,250
Benefits		-
Reimbursements		-
Total	$	2,250

VILLAGE OF DRY PRONG

SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS

For the year ended June 30, 2025

John Landry, Mayor	$ 2,250
Craig McCain, Alderman	1,125
Daryl Bryant, Alderman	1,125
Joy Hicks, Alderman	1,125
Total	$ 5,625

VILLAGE OF DRY PRONG

Justice System Funding Schedule - Collecting / Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session -
Cash Basis Presentation
For the Year Ended June 30, 2025

	First Six Month Period Ended December 31, 2024	Second Six Month Period Ended June 30, 2025
Beginning Balance of Amounts Collected	$ -	$ -
Add: Collections		
Criminal Criminal/Costs/Fees	107,255	178,056
Subtotal Collections	107,255	178,056
Less: Disbursements to Governments & Nonprofits		
Central Louisiana Juvenille Detention Center	1,980	3,210
Dept. of Health and Hospitals - Head Injury Fund	1,320	2,140
Louisiana Commission on Law Enforcement - Court Cost	528	856
Louisiana Supreme Court	132	214
State of Louisiana - CMIS Assessment	264	428
Less: Amounts Retained by the Village of Dry Prong		
Self Disbursed Court Cost	103,031	171,208
Subtotal Disbursements / Retainage	107,255	178,056
Ending Balance of Amounts Collected but not Disbursed	$ -	$ -

August 20, 2025

INDEPENDENT AUDITORS' 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*

To the Mayor and Board of Aldermen
Village of Dry Prong, Louisiana

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 Village of Dry Prong, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Village of Dry Prong's basic financial statements and have issued our report thereon dated August 20, 2025.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Village of Dry Prong's internal control over financial reporting (internal control) as a basis for designing 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 Village of Dry Prong's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village'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 and therefore, material weaknesses or significant deficiencies

may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned the cost as item 2025-001, and 2025-002 that we consider to be significant deficiencies.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Village of Dry Prong'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 tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as 2025-003.

THE VILLAGE OF DRY PRONG'S RESPONSE TO FINDINGS

Government Auditing Standards requires the auditor to perform limited procedures on the Village of Dry Prong's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Village of Dry Prong's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Rozier, McKay & Willis
Certified Public Accountants

VILLAGE OF DRY PRONG

SCHEDULE OF FINDINGS
For the Year Ended June 30, 2025

PART I - SUMMARY OF AUDITOR'S RESULTS:

- The Independent Auditors' Report on the financial statements of the Village of Dry Prong as of June 30, 2025 and for the year then ended expressed an unmodified opinion.
- The audit disclosed audit findings which are required to be reported as reportable conditions. No reportable conditions were reported material weaknesses.
- The results of the audit disclosed instances of noncompliance that are considered to be material to the financial statements of the Village of Dry Prong.

PART II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:

2025-001	**Accrued Leave Reporting – (Originally Reported 2023)**
Condition	Personnel policies require paying employees for unused accrued leave upon the termination of employment. Despite the obligation to compensate employees for unused leave, personnel records do not track accrued leave balances. Since balances are not maintained on an ongoing basis, balances are not available to determine the amounts due upon termination.
Criteria	On March 30, 2023, the Board of Aldermen adopted an employee policy handbook. The personnel policy adopted obligates the Village to compensate employees for unused leave balances upon the termination of employment.
Cause	When new personnel policies were adopted, procedures were not implemented to maintain records necessary to implement the policies.
Effect	Insufficient records to determine the amount of required payments.
Recommendation	Establish recordkeeping practices for maintaining unused leave balances for each employee.

2025-002	**Fine Structure – (Originally Reported 2025)**
Condition	Fines and court costs collected in connection with traffic tickets have not always conformed with the established rate structure.
Criteria	Traffic violations are subject to an established rate structure.
Cause	Clerical errors attributable to added transaction volume.
Effect	Misstatement of revenue.
Recommendation	Allocate additional resources to processing traffic citations.

2025-003	Budget Violation – (Originally Reported 2025)
Condition	In the current year, unfavorable variances exceeded 5%.
Criteria	For expenditures and other sources, state law prohibits unfavorable budget variances from exceeding 5%.
Cause	An appropriate amendment was not made to the budget once the Village realized that unfavorable variances exceeded 5% of budgeted amounts.
Effect	The Village was not in compliance with the Louisiana Government Budget Act.
Recommendation	The Village should implement policies and procedures to ensure that the budget is amended whenever variances exceed amounts allowed by the Louisiana Government Budget Act.

VILLAGE OF DRY PRONG

MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2025

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
2025-001: Accrued Leave Reporting Personnel policies require paying employees for unused accrued leave upon the termination of employment. Despite the obligation to compensate employees for unused leave, personnel records do not track accrued leave balances. Since balances are not maintained on an ongoing basis, balances are not available to determine the amounts due upon termination.	**2025-001: Response** We will conduct research necessary to determine accrued leave balances. In addition, in the future leave balances will be maintained on an ongoing basis.
2025-002: Fine Structure Fines and court cost collected in connection with traffic tickets have not always conformed with the established rate structure.	**2025-002: Response** We will work to allocate additional resources to processing traffic citations.
2025-003: Budget Violation In the current year, General Fund actual expenditures and other sources were exceeded budgeted amounts by a an amount larger than the variance allowed by the Louisiana Local Government Budget Act.	**2025-003: Response** In the future, we will review financial results near year end and make amendments as necessary.
SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
No findings were reported in the schedule of findings.	Response – N/A
SECTION III MANAGEMENT LETTER	
No management letter was issued.	Response – N/A

VILLAGE OF DRY PRONG

SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 2025

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
2024-001: Accrued Leave Reporting Personnel policies require paying employees for unused accrued leave upon the termination of employment. Despite the obligation to compensate employees for unused leave, personnel records do not track accrued leave balances. Since balances are not maintained on an ongoing basis, balances are not available to determine the amounts due upon termination	**2024-001: Unresolved** We will conduct research necessary to determine accrued leave balances. In addition, in the future leave balances will be maintained on an ongoing basis.
SECTION II **INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS**	
No findings of this nature were reported as a result of the previous audit.	Response – N/A
SECTION III **MANAGEMENT LETTER**	
No management letter was issued.	Response – N/A

APPENDIX A

Statewide Agreed-Upon Procedures

Rozier McKay & Willis | CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the Village of Dry Prong and
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Village of Dry Prong (the Entity) 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 fiscal period July 1, 2024 through June 30, 2025. The Entity's management is responsible for those C/C areas identified in the SAUPs.

The entity has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period described above. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

We were engaged to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, 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.

We are required to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended 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.

Rozier, McKay & Willis

Rozier, McKay & Willis
Certified Public Accountants
Alexandria, Louisiana
August 20, 2025

Rozier, McKay & Willis
Certified Public Accountants
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Written Policies and Procedures		
Agreed-Upon Procedure	**Results**	**Managements' Response**
1 Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories. • Budgeting • Purchasing • Disbursements • Receipts • Payroll/Personnel • Contracting • Credit Cards • Travel and expense reimbursements • Ethics • Debt Service • Disaster Recovery / Business Continuity • Sexual Harassment	No written policies were in effect.	Due to the small size of the operation and limited amount of personnel, the Village has determined that responsibilities can be clearly communicated without adopting written polices and procedures.

Board (or Finance Committee)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
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.	Minutes demonstrate that meetings were held monthly.	***N/A – Results did not include findings or criticisms.***
b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit 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.*	Budget to actual comparisons were not presented on a regular basis.	We will consider making changes to our monthly reporting process to address these matters.
c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes	The previous audit report presented a positive unrestricted fund balance.	***N/A – Results did not include findings or criticisms.***

Board (or Finance Committee)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted 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 management's corrective action plan at each meeting until the findings are considered fully resolved.	No written updates of the previous findings were presented.	The Town will work towards providing the Board with these reports in the future.

Bank Reconciliations		
Agreed-Upon Procedure	**Results**	**Managements' Response**
3 Obtain a listing of client 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 selected each 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, electronically logged);	Reconciliations were prepared within a two month period.	***N/A – Results did not include findings or criticisms.***
b) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and	No evidence of review was present	Since our reconciliation process is performed by someone completely independent of the collection process, further review was not considered necessary.
c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.	No evidence of research was present	Transactions outstanding more than 12 months were limited to 7 items totaling $2,815.

Collections (excluding EFTs)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
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).	Deposit sites are limited to the office maintained at Town Hall.	***N/A – Results did not include findings or criticisms.***
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:	Collection locations are limited to the office maintained at Town Hall.	
a) Employees that are responsible for cash collections do not share cash drawers/registers.	Collection responsibilities are limited to a single employee.	***N/A – Results did not include findings or criticisms.***

Collections (excluding EFTs)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
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.	A single individual is responsible for collections and making bank deposits.	Due to limited staff it is not practical to fully segregate duties.
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.	A parttime bookkeeper is responsible for positing deposits.	***N/A – Results did not include findings or criticisms.***
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 verifies the reconciliation.	Responsibility for collecting and posting is generally segregated between the Clerk and a part-time bookkeeper.	***N/A – Results did not include findings or criticisms.***
6 Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.	The Clerk is bonded.	***N/A – Results did not include findings or criticisms.***
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		

Collections (excluding EFTs)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
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.	Receipts were utilized where applicable.	***N/A – Results did not include findings or criticisms.***
b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.	Documentation agrees with deposit slip.	***N/A – Results did not include findings or criticisms.***
c. Trace the deposit slip total to the actual deposit per the bank statement.	Deposit slip agrees with bank statement.	***N/A – Results did not include findings or criticisms.***
d. Observe that 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).	Deposits were made within a business day.	***N/A – Results did not include findings or criticisms.***
e. Trace the actual deposit per the bank statement to the general ledger.	Bank statement agrees with the general ledger.	***N/A – Results did not include findings or criticisms.***

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
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).	Locations utilized for payment processing are limited to the office maintained at the Town Hall.	***N/A – Results did not include findings or criticisms.***
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.	No formal process is in place for documenting purchase request.	Due to the small size of the staff and open communication between department heads and elected officials formal documentation is not considered necessary.
b) At least two employees are involved in processing and approving payments to vendors.	Checks require two signatures.	***N/A – Results did not include findings or criticisms.***
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.	The computer system does not provide features for limiting access to vendor data.	Due to limited number of transactions and the Administration's general familiarity with the identity of vendors, limiting access to vendor data is considered unnecessary.

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
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.	The employee responsible for signing the checks typically delivers checks to the post office.	***N/A – Results did not include findings or criticisms.***
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 that the disbursement matched the related original invoice/billing statement.	The disbursements matched the related original invoices / billing statement.	***N/A – Results did not include findings or criticisms.***
b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.	Evidence of segregation was present	***N/A – Results did not include findings or criticisms.***
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 (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized	None of the five transactions had supporting documentation or were approved by the required number of authorized signers per the entity's policy.	While the magnitude of electronic transactions we process is minimal, in the future, we will ensure two authorized signatories approve each electronic transaction.

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.		

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	**Results**	**Managements' Response**
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.	Cards were limited to a single Sam's Club account	
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 that 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) was reviewed and approved, in writing, by someone other than the authorized card holder.	No evidence of approval appeared on the monthly statement.	Approval was demonstrate by two signatures appearing on the check that paid the credit card.
b. Observe that finance charges and late fees were not assessed on the selected statements.	There were fees and interest charges for the month selected.	In the future we will ensure that there are no fees acquired.

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	**Results**	**Managements' Response**
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 that 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).	The statement included two transactions for $243.95 and $120.95, each transaction had an invoice for inspection.	***N/A – Results did not include findings or criticisms.***

Travel and Expense Reimbursement		
Agreed-Upon Procedure	**Results**	**Managements' Response**
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:	Testing not required for year 2.	***N/A – Results did not include findings or criticisms.***
a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).	Testing not required for year 2.	***N/A – Results did not include findings or criticisms.***
b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.	Testing not required for year 2.	***N/A – Results did not include findings or criticisms.***
c. Observe that 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).	Testing not required for year 2.	***N/A – Results did not include findings or criticisms.***
d. Observe that each reimbursement was reviewed and approved, in writing, by	Testing not required for year 2.	***N/A – Results did not include findings or criticisms.***

Travel and Expense Reimbursement		
Agreed-Upon Procedure	**Results**	**Managements' Response**
someone other than the person receiving reimbursement.		

Contracts		
Agreed-Upon Procedure	**Results**	**Managements' Response**
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:		
a. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.	N/A – Based on discussions with management and other available evidence, no contracts were initiated or renewed.	***N/A – Results did not include findings or criticisms.***
b. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).	N/A – Based on discussions with management and other available evidence, no contracts were initiated or renewed.	***N/A – Results did not include findings or criticisms.***
c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.	N/A – Based on discussions with management and other available evidence, no contracts were initiated or renewed.	***N/A – Results did not include findings or criticisms.***
d. 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 that the invoice and related payment agreed to the terms and conditions of the contract.	N/A – Based on discussions with management and other available evidence, no contracts were initiated or renewed.	***N/A – Results did not include findings or criticisms.***

Payroll and Personnel		
Agreed-Upon Procedure	**Results**	**Managements' Response**
17 Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.	A list and representations were obtained.	
18 Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:		
a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).	Only hourly employees were required to document daily attendance.	We will review documentation policies and revise as necessary.
b. Observe that supervisors approved the attendance and leave of the selected employees/officials.	No leave records were maintained	Until recently our leave policy did not provide employees a vested interest in leave and no tracking system was implemented. In the future, we will explore options for maintaining complete leave and attendance records.
c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.	No leave records were maintained	Until recently our leave policy did not provide employees a vested interest in leave and no tracking system was implemented. In the future, we will explore options for maintaining complete leave and attendance records.
19 Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's	No termination payments were issued.	***N/A – Results did not include findings or criticisms.***

Payroll and Personnel		
Agreed-Upon Procedure	**Results**	**Managements' Response**
representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.		
20 Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.	Management has provided the necessary representations.	***N/A – Results did not include findings or criticisms.***

Ethics		
Agreed-Upon Procedure	**Results**	**Managements' Response**
21 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:		
a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.	Evidence of ethics training was only available for one employee.	Arrangements will be made to improve personnel files and retain all necessary documentation.
b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.	Personnel files did not include evidence of employees signing an ethics policy.	Arrangements will be made to improve personnel files and retain all necessary documentation.
22 Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.	No designee was appointed	Due to the small size of our staff, a formal designee is considered unnecessary

Debt Service		
Agreed-Upon Procedure	**Results**	**Managements' Response**
23 Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.	No debt was issued during the period.	***N/A – Results did not include findings or criticisms.***
25 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.	One of the required interest payments was not completed.	The payment was overlooked because we did not receive the invoice that the lender typically provides. We will make arrangements to complete the payment and conform to the amortization schedule associated with the debt.

Fraud Notice		
Agreed-Upon Procedure	**Results**	**Managements' Response**
23 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.	No misappropriations were reported.	***N/A – Results did not include findings or criticisms.***
26 Observe that 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.	The notice was visibly posted on a bulletin board at the Town Hall.	***N/A – Results did not include findings or criticisms.***

Information Technology Disaster Recovery /Business Continuity		
Agreed-Upon Procedure	**Results**	**Managements' Response**
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 there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.	We performed the procedure and discussed the results with management	***N/A – Results did not include findings or criticisms.***
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.	We performed the procedure and discussed the results with management	***N/A – Results did not include findings or criticisms.***
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.	We performed the procedure and discussed the results with management	***N/A – Results did not include findings or criticisms.***
28 Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in	We performed the procedure and discussed the results with management	***N/A – Results did not include findings or criticisms.***

Information Technology Disaster Recovery /Business Continuity		
Agreed-Upon Procedure	**Results**	**Managements' Response**
procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.		
29 Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267[1]. The requirements are as follows: 1. Hired before June 9, 2020 - completed the training; and 2. Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.	We performed the procedure and discussed the results with management	***N/A – Results did not include findings or criticisms.***

[1] While it appears to be a good practice for charter schools to ensure its employees are trained to keep their information technology assets safe from cyberattack, charter schools do not appear required to comply with 42:1267. An individual charter school, though, through specific provisions of its charter, may mandate that all employees/officials receive cybersecurity training.

Sexual Harassment		
Agreed-Upon Procedure	**Results**	**Managements' Response**
30 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.	No documentation of training appeared in personnel files.	Arrangements will be made to improve personnel files and retain all necessary documentation.
31 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).	Dry Prong does not maintain a website.	***N/A – Results did not include findings or criticisms.***
32 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.	A report was not prepared for the applicable period.	The requirements will be reviewed and arrangements will be made to achieve compliance.