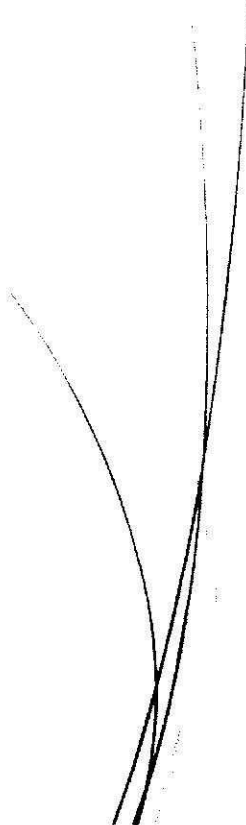


Town of Killian
Killian Louisiana
Annual Financial Statements
As of and for the Year Ended June 30, 2021
With Supplemental Informational Schedules



A Professional Accounting Corporation



Town of Killian

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Town of Killian

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A PROFESSIONAL ACCOUNTING CORPORATION

Independent Accountant's Review Report

To the Honorable Gillis Windham and
Members of the Board of Alderman
Town of Killian, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, general fund and the business activities of the Town of Killian, Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information on page 27 be presented to supplement the basic financial statements. Such information, although not a required 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. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operation, economic, or historical context.

Other Information

The supplementary information contained in schedules 2 and 3 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management, and such information was derived from, and relates directly to, the underlying records (accounting or other) used to prepare the financial statements. The supplementary information was subjected to the review procedures applied in the accountant's review of the basic financial statements and based on the accountant's review, whether the accountant is aware of any material modifications that should be made to the information in order for it to be in conformity with the applicable financial reporting framework. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

Sincerely,

Phil Hebert

Hebert Johnson & Associates, Inc.
A Professional Accounting Corporation
Ponchatoula, Louisiana
December 14, 2021

Basic Financial Statements

Government-Wide Financial Statements

Town of Killian, Louisiana

Statement A

Statement of Net Position
June 30, 2021

Assets	Governmental	Business- Type	Total
	Activities	Activities	
Cash	\$ 161,514	\$ 69,731	\$ 231,245
Accounts Receivable, Net	-	4,163	4,163
Tax Receivable	24,742	-	24,742
Other Receivable	13,414	-	13,414
Inventory	-	4,800	4,800
Internal Balances	3,857	(3,857)	-
Restricted Assets, Cash	-	945	945
Prepaid Expenses	9,626	-	9,626
Land	49,200	-	49,200
Capital Assets, Net	119,814	448,329	568,143
Total Assets	<u>382,167</u>	<u>524,112</u>	<u>906,279</u>
Liabilities			
Accounts Payable	9,016	2,818	11,834
Accrued Payroll and Payroll Liabilities	2,739	-	2,739
Customer Overpayments	-	3,413	3,413
Water Customer Deposits	-	800	800
Non- Current Liabilities:			
Due Within One Year	8,651	-	8,651
Due in More Than One Year	8,676	-	8,676
Total Liabilities	<u>29,082</u>	<u>7,031</u>	<u>36,113</u>
Net Position			
Net Investment in Capital Assets	151,687	448,329	600,016
Unrestricted	201,398	68,752	270,150
Total Net Position	<u>\$ 353,085</u>	<u>\$ 517,081</u>	<u>\$ 870,166</u>

See accompanying notes and independent accountant's review report.

Town of Killian, Louisiana

Statement B

Statement of Activities
For the Year Ended June 30, 2021

Functions/ Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities:							
General and Administrative	\$ 130,571	\$ 30,474	\$ 27,508	\$ -	\$ (72,589)	\$ -	\$ (72,589)
Police Department	163,384	36,214	6,000	-	(121,170)	-	(121,170)
Street Department	13,695	-	-	-	(13,695)	-	(13,695)
Total Government Activities	<u>307,650</u>	<u>66,688</u>	<u>33,508</u>	<u>-</u>	<u>(207,454)</u>	<u>-</u>	<u>(207,454)</u>
Business- Type Activities:							
Waterworks	142,997	112,176	-	-	-	(30,821)	(30,821)
Total Business- Type Activities	<u>142,997</u>	<u>112,176</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,821)</u>	<u>(30,821)</u>
Total Primary Government	<u>\$ 450,647</u>	<u>\$ 178,864</u>	<u>\$ 33,508</u>	<u>\$ -</u>	<u>(207,454)</u>	<u>(30,821)</u>	<u>(238,275)</u>
General Revenues:							
Taxes:							
					124,348	-	124,348
					101,405	-	101,405
					3,932	-	3,932
					36,250	-	36,250
					<u>265,935</u>	<u>-</u>	<u>265,935</u>
					58,481	(30,821)	27,660
					294,604	547,902	842,506
					<u>\$ 353,085</u>	<u>\$ 517,081</u>	<u>\$ 870,166</u>

See accompanying notes and independent accountant's review report.

Basic Financial Statements
Governmental Fund Financial Statements

Town of Killian, Louisiana

Statement C

Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Total Governmental Funds
Assets		
Cash	\$ 161,514	\$ 161,514
Franchise Tax Receivable	24,742	24,742
Other Receivable	13,414	13,414
Due From Waterworks Fund	3,857	3,857
Prepaid Expense	9,626	9,626
Total Assets	<u>\$ 213,153</u>	<u>\$ 213,153</u>
 Liabilities and Fund Balances		
Liabilities:		
Accounts Payable	\$ 9,016	\$ 9,016
Accrued Payroll and Payroll Liabilities	2,739	2,739
Total Liabilities	<u>11,755</u>	<u>11,755</u>
 Fund Balances:		
Unassigned	<u>201,398</u>	<u>201,398</u>
Total Fund Balance	<u>201,398</u>	<u>201,398</u>
Total Liabilities and Fund Balances	<u>\$ 213,153</u>	<u>\$ 213,153</u>

See accompanying notes and independent accountant's review report.

Town of Killian, Louisiana

Statement D

Reconciliation of the Governmental Funds Balance Sheet to
the Government-Wide Statement of Net Position
June 30, 2021

Fund Balances, Governmental Funds, Statement C \$ 201,398

Amounts reported for governmental activities in the
statement of net position are different because:

Capital assets used in governmental activities are not
financial resources and therefore are not reported in the
governmental funds. These assets consist of:

Capital Assets, Net of Depreciation 169,014

Long-term liabilities including capital leases are not due and payable in the current
period and, therefore, are not reported in the governmental funds. (17,327)

Net Position, Governmental Activities, Statement A \$ 353,085

See accompanying notes and independent accountant's review report.

Town of Killian, Louisiana

Statement E

Statement of Revenues, Expenditures, and Changes in Fund Balance
 Governmental Funds
 For the Year Ended June 30, 2021

	General Fund	Total Governmental Funds
Revenues		
Taxes	\$ 225,753	\$ 225,753
Licenses, Permits and Fees	30,474	30,474
Intergovernmental	3,600	3,600
Fines and Forfeits	36,214	36,214
Donations	50	50
Miscellaneous	282	282
Grant	27,508	27,508
On-behalf Payments	6,000	6,000
Total Revenues	<u>329,881</u>	<u>329,881</u>
Expenditures		
General and Administrative	118,761	118,761
Police Department	132,486	132,486
Street Department	13,695	13,695
Capital Outlay	38,224	38,224
Capital Lease:		
Principal	8,651	8,651
Interest	975	975
Total Expenditures	<u>312,792</u>	<u>312,792</u>
Excess (Deficiency) of Revenues Over Expenditures	17,089	17,089
Other Financing Sources (Uses):		
Sale of Capital Assets	36,250	36,250
Total Other Financing Sources	<u>36,250</u>	<u>36,250</u>
Net Changes in Fund Balances	<u>53,339</u>	<u>53,339</u>
Fund Balances, Beginning	148,059	148,059
Fund Balances, Ending	<u>\$ 201,398</u>	<u>\$ 201,398</u>

See accompanying notes and independent accountant's review report.

Town of Killian, Louisiana

Statement F

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2021**

Net Change in Fund Balances, Governmental Funds, Statement E \$ 53,339

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense.

These differences consist of:

Capital Outlay	38,224
Depreciation Expense	(24,892)

Losses on disposals of capital assets are reflected in the government wide statement of activities, but are not reflected in the governmental fund statement of revenues and expenses.	(16,841)
--	----------

Repayment of capital lease principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	8,651
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Change in Net Position, Governmental Activities, Statement B \$ 58,481

See accompanying notes and independent accountant's review report.

Town of Killian, Louisiana

Statement G

Statement of Net Position
Proprietary Fund
June 30, 2021

Assets	Waterworks Fund
Current Assets	
Cash	\$ 69,731
Accounts Receivable, Net	4,163
Inventory	4,800
Total Current Assets	<u>78,694</u>
Restricted Assets	
Restricted Cash	945
Total Restricted Assets	<u>945</u>
Property, Plant, and Equipment	
Capital Assets, Net	448,329
Net Property, Plant and Equipment	<u>448,329</u>
Total Assets	<u>527,969</u>
 Liabilities	
Current Liabilities	
Accounts Payable	2,818
Customer Overpayments	3,413
Due to General Fund	3,857
Total Current Liabilities	<u>10,088</u>
 Current Liabilities (Payable from Restricted Assets)	
Customer Deposits Payable	800
Total Liabilities	<u>10,888</u>
 Net Position	
Invested in Capital Assets	448,329
Unrestricted	68,752
Total Net Position	<u>\$ 517,081</u>

See accompanying notes and independent accountant's review report.

Town of Killian, Louisiana

Statement H

**Statement of Revenues, Expenses, and Change in Net Position
Proprietary Fund
For the Year Ended June 30, 2021**

	Waterworks Fund
Operating Revenues	
Water Sales	\$ 97,936
Safe Drinking Water Fees	3,932
Connection Fees	4,900
Other	5,408
Total Operating Revenues	<u>112,176</u>
 Operating Expenses	
Contract Labor	34,135
Repairs and Maintenance	23,481
Chlorine	13,672
Miscellaneous	8,903
Safe Drinking Water Fees	3,793
Office Expense	1,897
Utilities	8,351
Depreciation	48,765
Total Operating Expenses	<u>142,997</u>
 Change in Net Position	 <u>(30,821)</u>
 Net Position, Beginning	 <u>547,902</u>
Net Position, Ending	\$ <u><u>517,081</u></u>

See accompanying notes and independent accountant's review report.

Town of Killian, Louisiana
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2021

Statement I

		<u>Waterworks Fund</u>
Cash Flows From Operating Activities		
Received From Customers	\$	109,079
Payments For Operations		(98,130)
Net Cash Provided by Operating Activities		<u>10,949</u>
Cash Flows From Capital and Related Financing Activities		
Purchases of Fixed Assets		<u>(4,537)</u>
Net Cash (Used) Provided by Capital and Related Financing Activities		<u>(4,537)</u>
Cash Flows From Investing Activities		
Receipt of Interest		<u>-</u>
Net Cash Provided by Investing Activities		<u>-</u>
Net Increase in Cash		6,412
Cash, Beginning of Year		<u>64,264</u>
Cash, End of Year	\$	<u><u>70,676</u></u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets		
Cash and Cash Equivalents, Unrestricted	\$	69,731
Cash and Cash Equivalents, Restricted		945
Total Cash and Cash Equivalents	\$	<u><u>70,676</u></u>
Reconciliation of Net Operating Loss to Net Cash		
Provided (Used) Operating Activities		
Operating Loss	\$	(30,821)
Adjustments to Reconcile Operating Loss to Net Cash		
Provided by Operating Activities:		
Depreciation		48,765
Change in Accounts Receivable		(3,096)
Change in Accounts Payable		<u>(3,899)</u>
Net Cash Provided by Operating Activities	\$	<u><u>10,949</u></u>

See accompanying notes and independent accountant's review report.

Notes to the Financial Statements

Town of Killian, Louisiana

Notes to the Financial Statements As of and for the Year Ended June 30, 2021

Introduction

The Town of Killian, Louisiana (Town) was incorporated as a village in 1968 under the provisions of the "Lawrason Act" Louisiana Revised Statutes (R.S.) 33.321-481 of the constitution of the State of Louisiana. By Proclamation No. 67 MJF 2001, issued by the state, the village became a town on November 16, 2001. The Town is located in the Parish of Livingston with a geographic area of approximately 11.15 square miles and a population of 1,206.

The Town operates under a Board of Alderman-Mayor form of government, and as permitted under the act, provides police protection, streets and drainage maintenance, public improvements, health and social services; culture-recreation, planning and zoning; water utilities; general administration; and sponsorship of federal and state supported programs.

The Mayor and five Council Members are elected at large to serve four-year terms from July 1, 2017 to June 30, 2021. The Town employs 4 full-time employees. The Town serves 312 water customers. The accounting and reporting policies of the Town of Killian conform with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide* and to the industry audit guide, *Audits of State and Local Governmental Units*. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, Basic Financial Statements, and Management's Discussion and Analysis-for State and Local Governments, issued in June 1999. Management has elected to not present the Management's Discussion and Analysis.

1. Summary of Significant Accounting Policies

A. Reporting Entity

As the municipal governing authority, for reporting purposes, the Town is considered a separate financial reporting entity consists of (a) the primary municipal government, and where applicable (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.

The Town's basis financial statements include the accounts of all Town operations. The criteria for including organizations as a component unit within the Town's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

1. The organization is legally separate (can sue and be sued in their own name), incur its own debt, levy its own taxes and charges, expropriate property in its own name, and the right to buy, sell and lease property.
2. The Town appoints a voting majority of the organization's board.
3. Fiscal interdependency between the Town and potential component units
4. Imposition of will by the Town on the potential component unit and

Town of Killian, Louisiana

Notes to the Financial Statements As of and for the Year Ended June 30, 2021

5. The organization has the potential to impose a financial benefit/burden on the Town.

Based on the aforementioned criteria, the Town has no component units.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges of support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, if any, even though the latter are excluded from the government-wide financial statements.

The focus of governmental and proprietary fund financial statements is on "major" funds. Fund statements present in separate columns the General Fund, followed by major funds, if any, with non-major funds aggregated and displayed in a separate column. GASB Statement 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise funds combined) for the determination of major funds. In addition to the funds that meet the major fund criteria, any other governmental or enterprises fund that the government's officials believe is particularly important so financial statement users may be reported as major fund.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Available has been defined as received within 60 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgements, are recorded only when payment is due.

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

Town of Killian, Louisiana

Notes to the Financial Statements As of and for the Year Ended June 30, 2021

The Town reports the following major governmental funds:

General Fund:

The General Fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Proprietary Fund:

Enterprise fund-accounts for operations (a) where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town maintains one enterprise fund, the Waterworks Fund, which provides water services.

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

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

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

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Deposits and Investments

Cash includes cash on hand and amounts in demand deposit accounts. Cash equivalents, if any, include amounts with original maturities of 90 days or less. Under state law, the Town may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the municipality may invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities. Investments, if any, are stated at fair market value.

E. Receivables

Receivables are shown net of an allowance for uncollectible accounts. Uncollectible amounts due from water customers are recognized as bad debts through the establishment of an allowance account at the

Town of Killian, Louisiana

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2021**

time information becomes available which would indicate the uncollectibility of the particular accounts. Uncollectible amounts for property taxes are recorded as a reduction of current revenues.

F. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

G. Restricted Assets

Restricted assets consist of resources of the enterprise fund set aside for repayment of customer deposits.

H. Capital Assets

Capital assets, which include property, land, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains an informal threshold level of \$500 or more for capitalizing such assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if materials, is included as part of the capitalized value of the assets constructed. As a Phase III government under GASB Statement No 34, the Town elects not to retroactively report infrastructure assets constructed prior to June 30, 2003.

All capital assets, other than land, are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	10-40 years
Water System	20-30 years
Equipment	10-30 years
Office Equipment	3-5 years
Police Vehicles	3-5 years
Police Equipment	5 years

Maintenance, repairs and minor equipment purchases are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings or equipment, the cost and related accumulated depreciation, if applicable, is eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

I. Compensated Absences

Employees of the Town earn from 10 to 15 days of vacation leave each year, depending on length of service. Vacation leave must be used in the year earned. Sick leave is earned at the rate of eight hours for each month worked. No employees may accumulate more than eighty hours of sick leave per year nor

Town of Killian, Louisiana

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2021**

accumulate more than two hundred forty hours of sick leave overall. Sick leave is forfeited upon resignation, retirement, or dismissal from employment.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the governmental funds when leave is actually taken. There are no accumulated and vested benefits relating to vacation or sick leave at June 30, 2021.

J. Long-Term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, if any, as well as issuance costs, if any, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable, if any, are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognized both premiums and discounts, if any, as well as bond issuance costs, if any, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances, if any, are reported as other financing sources while discounts on debt issuances, if any, are reported as other financing uses.

K. Restricted Net Position

For the government-wide financial statements of net position, net positions are reported as restricted when constraints placed on net position are either:

- Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or
- Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

L. Fund Equity and Net Assets

In the government-wide financial statements, net positions are classified in the following categories

- **Invested in Capital Assets, Net of Related Debt-** This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.
- **Restricted Net Position-** This category presents the net position restricted by external parties (creditors, grantors or laws and regulations).
- **Unrestricted Net Position-** This category represents the net position of the Town that is not restricted for any project or other purpose by third parties.

In the fund financial statements, governmental fund equity is classified as fund balance. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

Town of Killian, Louisiana

Notes to the Financial Statements As of and for the Year Ended June 30, 2021

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form (b) legally or contractually required to be maintained intact. The Town did not have any nonspendable fund balance at June 30, 2021.
- **Restricted:** This classification includes amounts in which the use of resources is constrained either by (a) external impositions by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposition by law through constitutional provisions or enabling legislation. The Town did not have any restricted fund balance at June 30, 2021.
- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by the Board of Aldermen. These amounts cannot be used for any other purpose unless the Board of Aldermen removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town did not have any committed resources as of June 30, 2021.
- **Assigned:** This classification includes spendable amounts that are reported in governmental funds other than the General Fund, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an unassigned fund balance should be expressed by the Board of Aldermen who has the authority to assign amounts to be used for specific purposes. The Town did not have any assigned resources as of June 30, 2021.
- **Unassigned:** This classification is the residual fund balance for the General Fund. It also represents a fund balance that has been assigned to other funds and that has not been restricted, committed, or assigned to a specific purpose within the General Fund. The Town's General Fund balance at June 30, 2021 is unassigned.

When fund balance resources are available for a specific purpose in multiple classifications the Town will generally use the most restrictive funds first.

M. Estimates

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

N. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Town of Killian, Louisiana

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2021**

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. For the purpose of the statement of activities, all interfund transfers between funds have been eliminated.

O. Elimination and Reclassification

In the process of aggregated data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities column.

P. Ad Valorem Taxes

Ad Valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes were levied by the Town in October and billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed. The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of Livingston Parish.

The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>
General Fund	7.79	7.79

Q. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash includes demand deposit account balances.

2. Stewardship, Compliance, and Accountability

Budgets

Formal budgetary accounting is employed as a management control for the General Fund of the Town. An annual operating budget is adopted each fiscal year through passage of an annual budget ordinance and amended as required for the General Fund, and the same basis of accounting is used to reflect revenues and expenditures recognized on a generally accepted accounting principles basis. Budgets are prepared and adopted in accordance with the Louisiana Local Government Budget Act and the Lawrason Act. Budgetary control is exercised at the fund level. All budget appropriations lapse at the end of the fiscal year.

The budget was adopted on June 9, 2020. The budget was not amended.

The Louisiana Local Government Budget Act requires a local government to amend its operating budget when the total expenditures and other uses exceed total budgeted expenditures and other uses by 5% or more.

The General Fund’s final expenditures exceeded the final budget amount by \$81,492 resulting in a budget violation.

Town of Killian, Louisiana

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2021**

3. Deposits and Investments

At June 30, 2021, the Town had deposits (book balances) totaling \$232,190 as follows:

Petty Cash	\$ 177
Demand Deposits	<u>232,013</u>
	<u>\$ 232,190</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2021, the Town has \$237,431 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance. The Town does not have a deposit policy for custodial credit risk.

4. Inventories

Inventories in the proprietary fund consist of expendable supplies held for the Town's use and are carried at cost using the first-in, first-out method.

5. Receivables

The Governmental Funds receivables of \$24,742 at June 30, 2021, consist of the following:

Taxes:

Public Utility Franchise	\$ <u>24,742</u>
	<u>\$ 24,742</u>

The Waterworks Fund accounts receivable of \$4,163 at June 30, 2021, consist of the following:

Accounts:

Water Receivables	\$ 7,682
Allowance for Bad Debts	<u>(3,519)</u>
Total Accounts Receivable, Net	<u>\$ 4,163</u>

6. Ad Valorem Taxes

For the year ended June 30, 2021, taxes of 7.79 mills were levied on property with assessed valuations totaling \$12,204,740. Total taxes levied were \$95,076.

Town of Killian, Louisiana

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2021**

7. Restricted Assets-Proprietary Fund Type

Restricted assets consist of cash resources set aside for repayment of customer deposits.

8. Capital Assets

The following is a summary of changes in capital assets for governmental activities for the fiscal year ended June 30, 2021:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 49,200	\$ -	\$ -	\$ 49,200
Total Capital Assets Not Being Depreciated	49,200	-	-	49,200
Capital Assets Being Depreciated:				
Buildings	84,553	-	-	84,553
Land Improvements	26,000	-	-	26,000
Equipment	75,238	-	-	75,238
Police Vehicles	155,800	32,915	(48,104)	140,611
Police Equipment	68,304	5,309	-	73,613
Office Equipment	16,841	-	-	16,841
Total Capital Assets Being Depreciated	426,736	38,224	(48,104)	416,856
Less Accumulated Depreciation for:				
Buildings	(53,932)	(2,384)	-	(56,316)
Land Improvements	(5,200)	(1,300)	-	(6,500)
Equipment	(56,147)	(7,226)	-	(63,373)
Police Vehicles	(106,108)	(12,263)	31,263	(87,108)
Police Equipment	(67,211)	(819)	-	(68,030)
Office Equipment	(14,815)	(900)	-	(15,715)
Total Accumulated Depreciation	(303,413)	(24,892)	31,263	(297,042)
Capital Assets Being Depreciated, Net	123,323	13,332	(16,841)	119,814
Governmental Activities Capital Assets, Net	\$ 172,523	\$ 13,332	\$ (16,841)	\$ 169,014

Depreciation Expense was Charged to the Following Activities:

General Government	\$ 11,810
Police Department	13,082
	\$ 24,892

Town of Killian, Louisiana

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2021**

The following is a summary of changes in capital assets for the business-type activity for the fiscal year ended June 30, 2021:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Being Depreciated:				
Water System	\$ 1,171,248	\$ 3,200	\$ -	\$ 1,174,448
Machinery and Equipment	22,663	1,338	-	24,001
Office Equipment	1,058	-	-	1,058
Total Capital Assets Being Depreciated	1,194,969	4,538	-	1,199,507
Less Accumulated Depreciation for:				
Water System	(678,942)	(48,665)	-	(727,607)
Machinery and Equipment	(22,413)	(100)	-	(22,513)
Office Equipment	(1,058)	-	-	(1,058)
Total Accumulated Depreciation	(702,413)	(48,765)	-	(751,178)
Capital Assets Being Depreciated, Net	492,556	(44,227)	-	448,329
Business- Type Activities Capital Assets, Net	492,556	\$ (44,227)	\$ -	\$ 448,329

Depreciation expense of \$48,765 was charged to the business-type activity.

9. Interfund Receivables and Payables

Balances due to/from other funds at June 30, 2021 consist of the following to subsidize operations:

	Due From Other Funds	Due to Other Funds
General Fund	\$ 3,857	\$ -
Waterworks Fund	-	3,857
	\$ 3,857	\$ 3,857

Town of Killian, Louisiana

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2021**

10. Capital Lease

On June 25, 2019, the Town entered into a lease purchase agreement to purchase a 2019 Chevy Tahoe. The lease is for 4 annual payments of \$9,626.17 beginning July 1, 2019. At June 30, 2021, the Town has recorded an asset of \$35,604.08 with accumulated depreciation of \$14,242. The balance of the lease payable is \$17,327 with a current maturity of \$8,651.

Amortization schedules of the outstanding Capital Lease including interest of \$1,925.

Year Ending June 30	
2022	\$ 9,626
2023	<u>9,626</u>
	<u>\$ 19,252</u>

11. On Behalf Payments by State of Louisiana

For the year ended June 30, 2021, the State of Louisiana made on behalf payments in the form of supplemental pay to the Town's police chief. In accordance with GASB 24, the Town has recorded \$6,000 on behalf payments.

12. Risk Management

The Town of Killian is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town attempts to minimize the risk from significant losses through the purchase of commercial insurance.

13. Subsequent Events

Subsequent events were evaluated through December 14, 2021 which is the date the financial statements were available to be issued.

Required Supplemental Information

Town of Killian, Louisiana

Schedule 1

**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
General Fund
For the Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts:</u> <u>GAAP</u> <u>Basis</u>	<u>Final Budget:</u> <u>Favorable</u> <u>(Unfavorable)</u>
Revenues				
Taxes	\$ 183,200	\$ 183,200	\$ 225,753	\$ 42,553
Licenses, Permits and Fees	7,500	7,500	30,474	22,974
Intergovernmental	3,600	3,600	3,600	-
Fines and Forfeits	55,750	55,750	36,214	(19,536)
Donations	250	250	50	(200)
Miscellaneous	150	150	282	132
Grant	-	-	27,508	27,508
On-behalf Payments	-	-	6,000	6,000
Total Revenues	<u>250,450</u>	<u>250,450</u>	<u>329,881</u>	<u>79,431</u>
Expenditures				
General and Administrative	98,200	98,200	118,761	(20,561)
Police Department	113,000	113,000	132,486	(19,486)
Street Department	9,000	9,000	13,695	(4,695)
Capital Outlay	11,100	11,100	38,224	(27,124)
Capital Lease:				
Principal	-	-	8,651	(8,651)
Interest	-	-	975	(975)
Total Expenditures	<u>231,300</u>	<u>231,300</u>	<u>312,792</u>	<u>(81,492)</u>
Excess (Deficiency) of Revenues Over Expenditures	19,150	19,150	17,089	(2,061)
Other Financing Sources				
Sale of Capital Asset	-	-	36,250	36,250
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>36,250</u>	<u>36,250</u>
Net Change in Fund Balance	<u>19,150</u>	<u>19,150</u>	<u>53,339</u>	<u>34,189</u>
Fund Balance, Beginning	148,059	148,059	148,059	-
Fund Balance, Ending	<u>\$ 167,209</u>	<u>\$ 167,209</u>	<u>\$ 201,398</u>	<u>\$ 34,189</u>

See Independent Accountant's Review Report.

Other Supplemental Information

Town of Killian, Louisiana

Schedule 2

Schedule of Compensation Paid Elected Officials
Year Ended June 30, 2021

<u>Elected Official</u>	<u>Term Expires</u>	<u>Compensation Received</u>
Gillis Windham, Alderman Mayor	June 30, 2025	\$ -
Brian Binkley, Alderman	June 30, 2025	-
Kenny Bayhi, Alderman	June 30, 2025	-
John Henry, Alderman	June 30, 2025	-
Patrick Canal, Alderman	June 30, 2025	-
Caleb Atwell, Alderman	June 30, 2025	-
		<u>\$ -</u>

See Independent Accountant's Review Report.

Town of Killian, Louisiana

Schedule 3

Schedule of Compensation, Benefits and Other Payments to Agency Head
Year Ended June 30, 2021

Agency Head Name: Gillis Windham Mayor

Salary	\$	-
Benefits - Insurance		-
Benefits - Retirement		-
Benefits - Payroll Taxes		-
Car Allowance		-
Vehicle Provided by Government		-
Per Diem		-
Reimbursements		-
Travel		-
Registration Fees		-
Conference Travel		-
Continuing Professional Education		-
Housing		-
Unvouchered Expenses		-
Special Meals		-
Cell Phone		-
Total	\$	<u>-</u>

See Independent Accountant's Review Report.

Town of Killian

Schedule 4

Schedule of Justice System Funding - Collecting / Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session
For the Year Ended June 30, 2021

	First Six Month Period Ended 12/31/2020	Second Six Month Period Ended 6/30/2021
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ -	\$ -
Add: Collections		
Civil Fees (including refundable amounts such as garnishments or advance deposits)	-	-
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	974	1,318
Criminal Fines - Contempt	-	-
Criminal Fines - Other	10,466	22,718
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
Interest earnings on Collected Balances	-	-
Other (do not include collections that fit into more specific categories above)	-	-
Subtotal Collections	<u>11,440</u>	<u>24,036</u>
Less: Disbursements to Governments & Nonprofits:		
State Treasury Disability Affairs	-	-
Treasury State of Louisiana CMIS	79	92
DIHH Traumatic Head & Spinal Cord Injury Trust	155	310
Judicial Administration, Supreme Court of LA	38	46
21st JDC Public Defender Office	-	-
Louisiana Commission on Law Enforcement	702	870
Florida Parishes Juvenile Justice Commission	-	-
Tangipahoa Crime Stoppers	-	-
Less: Amount Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
Amounts "Self-Disbursed" to Collecting Agency - Other	10,466	22,718
Less: Disbursements to Individual /3rd Party Collection or Processing Agencies		
Civil Fee Refunds	-	-
Bond Fee Refunds	-	-
Restitution Payments to Individual (additional detail is not required)	-	-
Other Disbursements to Individual (additional detail is not required)	-	-
Payments to 3rd Party Collection/Processing Agencies	-	-
Subtotal Disbursements/Retainage	<u>11,440</u>	<u>24,036</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	<u>\$ -</u>	<u>\$ -</u>

Ending Balance of "Partial Payments" Collected but not Disbursed (only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained.

See Independent Accountant's Review Report.

CHARLES P. HEBERT, CPA

CHRISTOPHER S. JOHNSON, CPA, MBA

ADAM C. HEBERT, CPA

MEMBER

American Institute of Certified Public Accountants
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A PROFESSIONAL ACCOUNTING CORPORATION

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Honorable Mayor Gillis Windham and
Members of the Board of Aldermen
Town of Killian, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of the Town of Killian and the Louisiana Legislative Auditor (the specified parties), on the Town of Killian's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2021, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. Management of the Town of Killian is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

The Town purchased a police car on state contract.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided us with the requested information.

3. Obtain a list of all employees paid during the fiscal year.
Management provided us with the requested information.
4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.
None of the employees included on the list provided by management for agreed-upon procedure 3 appeared on the list provided by management for agreed-upon procedure 2.
5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.
Management provided the requested information. None of the businesses of council members, employees, and council members' and employees' immediate families appeared as vendors on the list of disbursements.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.
Management provided us with a copy of the original budget. Management represented that there were no amendments to the budget during the year.
7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.
We traced the adoption of the original budget to the minutes of a meeting held on June 9, 2020, which indicated that the budget had been adopted by the Board of Aldermen of the Town of Killian. The Town did not amend the budget for the year.
8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total).
We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues exceeded budgeted amounts. Actual expenditures were more than budgeted amounts by more than 5% resulting in a budget violation.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:
 - (a) Report whether the six disbursements agree to the amount and the payee in the supporting documentation.
Each of the selected disbursements agreed with the amount and payee in the supporting documentation.

(b) Report whether the six disbursements were coded to the correct fund and general ledger account.

All of the payments were properly coded to the correct fund and general ledger account.

(c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

The supporting documentation for all six disbursements contained Mayor's approval.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

Town of Killian is only required to post a notice of each meeting and the accompanying agenda on the door of the Town Hall no later than 24 hours prior to the meeting. We examined documentation that such notices were posted.

Debt

11. Obtain bank deposit slips for the fiscal year and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

We scanned payroll disbursements and read the meeting minutes of the Town's meetings for the fiscal year. We found no payments or approval for payments to employees that would constitute bonuses, advances, or gifts.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The Town's report is due on December 31, 2021, and will be submitted timely.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

The Town did not enter into any contracts that utilized state funds and that were subject to the public bid law while not in compliance with R.S. 24:513.

Prior Comments and Recommendations

15. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.

See the schedule of prior year findings.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Town's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the Town's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, 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 Louisiana Legislative Auditor as a public document.

Phil Hebert

Phil Hebert, CPA
A Professional Accounting Corporation
Ponchatoula, Louisiana
December 14, 2021

Town of Killian, Louisiana

**Schedule of Current Year Findings, Recommendations and Responses
For the Year Ended June 30, 2021**

2021-01 Local Government Budget Act

Criteria:

The Local Government Budget Act (LSA-RS 39:1301-15) requires a political subdivision to adopt a budget amendment in an open meeting when total actual expenditures are expected to exceed total budgeted expenditures by a variance greater than five percent.

Condition:

The Town did not comply with certain provisions of the Local Government Budget Act, which requires the Town to amend its budget when actual expenditures are expected to exceed total budgeted expenditures by a variance of greater than 5 percent.

Cause:

This was an oversight by management.

Effect:

The Town was in violation of the Local Government Budget Act.

Recommendation:

We recommend the Town review its budget to actual revenues and expenditures on a monthly basis and amend the budget as necessary in an open meeting.

Management's Response:

The Town will take measures to ensure the budget is amended according to state law. Responsible party is Mayor Gillis Windham and can be reached at the Town Hall at (225) 695-6785.

Town of Killian, Louisiana
Schedule of Prior Year Findings
For the Year Ended June 30, 2021

FINDINGS RELATED TO INTERNAL CONTROL MATTERS

2020-1 Accounting for Water Charges

Condition:

The total of customer balances, as reported in the subsidiary utility billing system has not been reconciled to the general ledger control account.

Recommendation:

The accounts receivable balance must be reconciled from the utility billing software to the general ledger on a monthly basis. The accountant must follow the established procedures to reconcile the utility billings to the general ledger. The accountant must communicate with the utility billing clerk to properly identify and record connections fees and account transfer fees. The accountant must review their work.

Action Taken:

During the year the Town of Killian hired a new internal accountant and a member of the board of aldermen who is a CPA worked with the new accountant to reconcile the accounts receivable balance from the Utility Billing Software to the general ledger.

Resolved: Fully

Continued

Town of Killian, Louisiana
Schedule of Prior Year Findings
For the Year Ended June 30, 2021

FINDINGS RELATED TO INTERNAL CONTROL MATTERS

2020-2 Errors in Utility Billing

Condition:

We noted the following errors:

- 1) All of the customers were not being charged the safe drinking water fee during the year.
- 2) There was not adequate documentation to determine who was charged a connection fee and the amount charged.
- 3) In June 2020 the Town changed utility billing software. While transferring customers to the new software thirteen in-active customers were added and billed a monthly water fee. Those same accounts were billed for July, August, September, October and November 2020. This error was discovered by the independent accountant during the review of financial statements.
- 4) In October 2020 there was what was described as a "glitch" in the utility billing system. I noted that the billing for October 2020 was not posted to the customer's accounts, but the bills were printed and mailed. This error was discovered by the independent accountant during the review of financial statements in December 2020.

Recommendation:

Effective immediately the clerk should remove the inactive accounts from the utility billing system and post the October billing to each customer's account. She should charge the correct fees to new customers and accounts that are transferred from existing customers and communicate with the Town's accountant, so those charges are properly recorded in the general ledger.

Action Taken:

The Town has taken the following action:

- 1) The Utility Billing Clerk is charging all water customers the safe drinking water fee.
- 2) The Utility Billing Clerk has implemented controls to properly document the customers who were charged a connection fee and the amount charged.
- 3) The in-active customers were removed from the utility billing software.
- 4) The Utility billing for October was added to each customer's account.

Resolved: Fully

Continued

Town of Killian, Louisiana

**Schedule of Prior Year Findings
For the Year Ended June 30, 2021**

FINDINGS RELATED TO INTERNAL CONTROL MATTERS

2020-3 Internal Control Over Evidence Room

Condition:

The former police chief of Killian was not following controls that were established by the Town. Rather than comply with the Town's controls he chose to tender his letter of resignation.

Recommendation:

The Legislative auditor provides a list of suggestions for proper controls for an evidence room. I suggest management review the list of suggestions and adopt some or all of them to strengthen the controls over the evidence room.

Action Taken:

The Town of Killian hired a new police chief who reviewed controls recommended by the Legislative Auditor and other police departments and implemented internal controls over the Evidence Room for the Town of Killian.

Resolved: Fully

FINDINGS RELATED TO COMPLIANCE

2020-4 Payroll Taxes Were Not Remitted Timely

Condition:

As of June 30, 2020, the Town recorded penalties and interest in the amount of \$2,338 due to the late payment of payroll taxes to the Federal and State governments. It was also noted that the Town overpaid the payroll taxes at June 30, 2020, by \$2,772.

Recommendation:

The Town's accounting software has excellent payroll modules and when used properly will allow the accountant to make payroll tax deposits timely and accurately. The Town's accountant may need to obtain additional training using the Town's software. I recommend paying the 941 taxes after every payroll to avoid late payment penalties and interest.

Action Taken:

During the year the Town of Killian hired a new internal accountant. The new accountant has been instructed on the importance of paying the payroll tax deposits on a timely basis. She has also been instructed on the controls in place to allow her to pay the payroll deposits on a timely basis.

Resolved: Fully

Town of Killian, Louisiana

**Schedule of Prior Year Findings
For the Year Ended June 30, 2021**

2020-5 Misappropriation of Assets from the Evidence Room

Condition:

The former police chief of Killian Police Department has been arrested after discrepancies were found in his handling of evidence.

Recommendation:

I recommend management inform the Legislative Auditor and District Attorney regarding this matter

Action Taken:

The Mayor notified the Legislative Auditor and District Attorney regarding this matter.

Resolved: Fully

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

December 14, 2021

Hebert Johnson & Associates, Inc.

18435 Hwy 22, Suite 2

Ponchatoula, LA 70454

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2021 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the state procurement code (R.S. 39:1551 – 39:1755); the public bid law (R.S. 38:2211-2296), and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes No N/A

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes No N/A

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes No N/A

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes No N/A

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes No N/A

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes No N/A

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No N/A

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No N/A

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No N/A

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes No N/A

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes No N/A

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes No N/A

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes No N/A

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No N/A

General

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No N/A

We acknowledge that we are responsible for determining that the procedures performed are appropriate for the purposes of this engagement.

Yes No N/A

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes No N/A

We have provided you with all relevant information and access under the terms of our agreement.

Yes No N/A

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes No N/A

We are not aware of any material misstatements in the information we have provided to you.

Yes No N/A

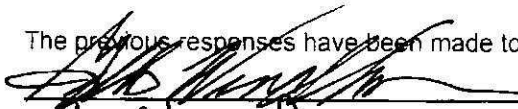
We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose to you any such communication received between the end of the period under examination and the date of your report.

Yes No N/A

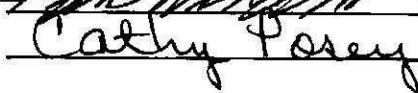
We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes No N/A

The previous responses have been made to the best of our belief and knowledge.



Mayor



Clerk

Date

Date

12-14-21