

**TOWN OF DUBACH
LOUISIANA**

**FINANCIAL STATEMENTS
JUNE 30, 2024**

TOWN OF DUBACH, LOUISIANA
FINANCIAL STATEMENTS
JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mona Wilson, Mayor
and Town Council
Town of Dubach
P.O. Box 252
Dubach, Louisiana 71235

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Dubach, Louisiana, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Dubach's basic financial statements, as listed in the table of contents.

In my 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, each major fund, and the aggregate remaining fund information of the Town of Dubach, Louisiana, as of June 30, 2024, 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

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Town of Dubach, Louisiana and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Town of Dubach'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

My 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 my opinions. Reasonable assurance is a high level of assurance but is not an absolute assurance and therefore is not a guarantee that audit conducted in accordance with generally accepted auditing standards and *Governmental 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*, I:

- 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 Town of Dubach'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Dubach's ability to continue as a going concern for a reasonable period of time.

I am 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 I 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 on the pages indicated in the 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Dubach's basic financial statements. The accompanying supplemental schedule of per diem payments to council members, schedule of compensation, benefits, and other payments, schedule of justice system funding - receiving and schedule of justice system funding - collecting/disbursing are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 my opinion, the supplemental schedule of per diem payments to council members, schedule of compensation, benefits and other payments, schedule of justice system funding - receiving and schedule of justice system funding - collecting/disbursing are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated February 5, 2025, on my consideration of the Town of Dubach's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Dubach's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Dubach's internal control over financial reporting and compliance.



Don M. McGehee
Certified Public Accountant
February 5, 2025

**REQUIRED SUPPLEMENTAL INFORMATION
(PART I)**

TOWN OF DUBACH
P.O. BOX 252
DUBACH, LOUISIANA 71235

MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

The discussion and analysis of the Town of Dubach's performance provides an overview of the financial activities for the year ended June 30, 2024. It is based upon currently known facts, decisions, and conditions. Please read it in conjunction with the financial statements which begin on page 11.

Basic Financial Statements

The basic financial statements include government-wide and fund financial statements. The government-wide statements consist of a Statement of Net Position and a Statement of Activities and provide information about the financial activities of the Town as a whole. The government-wide statements present a long-term view of our finances. Fund financial statements consist of the respective fund's balance sheet and the fund's statement of revenues, expenditures and changes in fund balance, if applicable. The fund statements tell how the Town's services were financed in the short-term and what remains for future spending. The primary difference between the fund and government-wide statement presentation methods is that expenditures for capital assets are expensed in the fund financial statements but capitalized and depreciated in the government-wide statements.

Statement of Net Position and Statement of Activities

One of the most important questions asked about the Town's finances is, "As a result of the year's financial activities, is the Town of Dubach as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about our activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is a method similar to accounting used by most private-sector companies. All revenues and expenses of the current year are reported under this method regardless of when cash is received or disbursed.

These two statements report the Town's net position and the changes in the net position. You can think of the net position - the difference between assets and liabilities - as one way to measure the financial health, or financial position, of the Town. Increases/(decreases) in the Town's net position is one indicator of whether its financial health is improving/(deteriorating). You will need to consider other nonfinancial factors, however, such as changes in the Town's tax base and the condition of the Town's roads, to assess the overall health of the Town.

In the Statement of Net Position and Statement of Activities, we divide the finances of the Town into two kinds of activities:

Governmental Activities - Most of the Town's basic services are reported here, including the police, sanitation, highways and streets, cemetery, and general administration. Sales tax, occupational licenses, property taxes, franchise fees, charges for services, and grants finance most of these activities. Expenses primarily include salaries, depreciation, and utilities.

Business-Type Activities - The Town charges a fee to customers to help cover all or most of the cost of certain services it provides. The Town's water and sewer system is reported here. Charges for water and sewer services and grants finance most of these activities. Expenses primarily include salaries, repairs and maintenance, depreciation, and utilities.

Government-Wide Financial Analysis

As noted above, the net position may serve as a useful indicator of the Town's financial position. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental and business-type activities.

Table 1
Total Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and Other Assets	\$ 913,555	\$ 1,006,280	\$ 364,090	\$ 367,971	\$ 1,277,645	\$ 1,374,251
Capital Assets	<u>335,523</u>	<u>235,627</u>	<u>2,023,453</u>	<u>2,111,385</u>	<u>2,358,976</u>	<u>2,347,012</u>
Total Assets	<u>1,249,078</u>	<u>1,241,907</u>	<u>2,387,543</u>	<u>2,479,356</u>	<u>3,636,621</u>	<u>3,721,263</u>
Liabilities	<u>164,897</u>	<u>269,081</u>	<u>70,871</u>	<u>65,371</u>	<u>235,768</u>	<u>334,452</u>
Net Position:						
Investment in Capital Assets	335,523	235,627	2,023,453	2,111,385	2,358,976	2,347,012
Restricted	57,178	271,765	0	0	57,178	271,765
Unrestricted	<u>691,480</u>	<u>465,434</u>	<u>293,219</u>	<u>302,600</u>	<u>984,699</u>	<u>768,034</u>
Total Net Position	<u>\$ 1,084,181</u>	<u>\$ 972,826</u>	<u>\$ 2,316,672</u>	<u>\$ 2,413,985</u>	<u>\$ 3,400,853</u>	<u>\$ 3,386,811</u>

The largest portion of the Town's net position (69% for 2024 and 69% for 2023) is invested in capital assets. The net position invested in capital assets consist of land, buildings, water and sewer system, and equipment. The Town uses these capital assets to provide services to its citizens; consequently, these amounts are not available for future spending.

Unrestricted net position for 2024 and 2023 was 29% and 23%, respectively, of total net position. Nearly all unrestricted net position is composed of cash and investments. Unrestricted net position can be used to finance the day-to-day operations of the Town without constraints.

The remaining restricted net position (2% for 2024 and 8% for 2023) represents resources that are restricted to the perpetual care of a cemetery, unspent grant funds, community projects, and maintenance of the flag.

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues:						
Charges for Services	\$ 93,699	\$ 74,713	\$ 237,752	\$ 231,282	\$ 331,451	\$ 305,995
Operating Grants and Contributions	293,196	104,828	0	0	293,196	104,828
Capital Grants and Contributions	124,371	420	0	0	124,371	420
General Revenues:						
Taxes	215,281	217,459	0	0	215,281	217,459
Licenses	62,361	57,267	0	0	62,361	57,267
Other	5,951	4,521	8,309	4,444	14,260	8,965
Total Revenues	<u>794,859</u>	<u>459,208</u>	<u>246,061</u>	<u>235,726</u>	<u>1,040,920</u>	<u>694,934</u>
Program Expenses						
General Government	238,011	227,022	0	0	238,011	227,022
Police	126,238	130,404	0	0	126,238	130,404
Highways and Streets	33,475	25,194	0	0	33,475	25,194
Sanitation	102,923	90,391	0	0	102,923	90,391
Cemetery	900	675	0	0	900	675
Water and Sewer	0	0	562,095	363,031	562,095	363,031
Total Expenses	<u>501,547</u>	<u>473,686</u>	<u>562,095</u>	<u>363,031</u>	<u>1,063,642</u>	<u>836,717</u>
Excess (Deficiency) Before Transfers and Special Items	293,312	(14,478)	(316,034)	(127,305)	(22,722)	(141,783)
Transfers	(212,650)	0	212,650	0	0	0
Special Items	30,693	6,500	6,071	0	36,764	6,500
Increase (Decrease) in Net Position	111,355	(7,978)	(97,313)	(127,305)	14,042	(135,283)
Net Position-Beginning	<u>972,826</u>	<u>980,804</u>	<u>2,413,985</u>	<u>2,541,290</u>	<u>3,386,811</u>	<u>3,522,094</u>
Net Position-Ending	<u>\$ 1,084,181</u>	<u>\$ 972,826</u>	<u>\$ 2,316,672</u>	<u>\$ 2,413,985</u>	<u>\$ 3,400,853</u>	<u>\$ 3,386,811</u>

Governmental financial activities changed the Town's net position for the years ending June 20, 2024 and 2023, by an 11% increase and a 1% decrease (\$111,355 and \$7,978), respectively. Governmental activities 2024 revenues increased 73% (\$335,651) from the prior year. Expenses increased 6% (\$27,861) from the prior year with an increase of \$10,989 in the general government expenses, a decrease of \$4,166 in the police department, an increase of \$8,281 in the street department, an increase of \$12,532 in the garbage department and an increase of \$225 in the cemetery fund.

Business-type activities decreased net position by 4% (\$97,313) for the year ended June 30, 2024, compared to a 5% (\$127,305) decrease in the prior year. Charges for services revenue increased 3% (\$6,470) in 2024 compared to the prior year. Expenses increased 55% (\$199,064) in 2024 compared to the prior year.

Fund Financial Statements

As of June 30, 2024, the governmental funds reported a fund balance of \$747,667, which is an increase of 5% (\$35,584) in the total fund balance from the previous year. Included in this year's total change in fund balance is a revenue surplus of \$38,806 in the Town's general fund and a revenue deficit of \$3,955 in the Town's garbage fund compared to a \$823 revenue deficit in the prior year general fund and an \$18,817 revenue surplus in the prior year garbage fund. Thirty-one percent (31%) of the total fund balance is restricted due to external limitations on its use. These uses include garbage fund restrictions for \$219,645 and the cemetery fund for \$10,072. Five percent (5%) is considered unspendable because it has been used for prepaid items (\$23,571) and perpetual care of the cemetery (\$12,896). About 5% (\$33,903) is restricted for grant purposes and 1% from donor's gifts to the flag fund (\$1,385) and to the community projects fund (\$8,994). The remaining fifty-eight percent (58%) or \$437,201 is unassigned.

The general fund is the main operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was \$437,201, while total fund balance was \$496,884. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance and total fund balance to total fund expenditures. General fund expenditures exceed unassigned fund balance by \$66,704 and expenditures exceed total fund balance by \$7,021.

The key elements for the change in 2024 compared to the prior year are as follows:

- (1) Grant revenue in the general fund increased \$348,259 from the prior year. This included \$213,350 of ARPA grant funds used to pay for expenses in the garbage fund and the water and sewer fund.
- (2) Licenses and permits increased \$5,093 from the prior year.
- (3) Fines increased \$9,055 from the prior year.
- (4) Charges for services increased \$5,137 compared to the prior year.
- (5) General fund expenditures increased \$152,850 from the prior year, primarily as a result of the outdoor park project.

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

General Fund Budgetary Highlights

The budget is amended when it is determined that there are unexpected differences between actual and anticipated revenues and/or expenditures. The amended budget for 2024 was adopted just prior to year end. The difference between the original and final amended revenues budget was a 68% (\$189,200) increase in revenues because grant revenues had not been included in the original budget and tax revenues were higher than expected. The difference between the original and final amended expenditures budget was a 31% (\$110,602) increase in expenditures because capital outlay had not been budgeted. There was a 1% (\$4,800) decrease in beginning fund balance. There were no other significant general fund budget adjustments.

The significant variances between actual results compared to the general fund budget, as reported on page 32, were that grant revenues were \$232,179 more than budgeted, licenses were \$21,361 more than budgeted, and sales taxes were \$9,678 less than budgeted. General government expenditures were \$7,961 less than budgeted. Police expenditures were \$8,502 less than budgeted. Highways and streets expenditures were \$6,276 more than budgeted. Capital outlays were \$47,590 more than budgeted.

Capital Assets

The Town invested \$167,161 in capital assets for its governmental and business-type activities during the fiscal year ending June 30, 2024. This investment included purchase of land, sewer system improvements, signs for the Town, and improvements to park facilities. This investment was funded by grants and funds from the general fund and the proprietary fund.

For the upcoming year, the Town plans to complete the improvements to James Lake Park, purchase a new police truck, and purchase equipment as needed. There are no plans to issue debt to finance any projects. More detailed information about the Town's capital assets is presented in the notes to the financial statements.

Currently Known Facts, Decisions, or Conditions

We are not aware of any facts, decisions, or conditions that are expected to have a significant impact on the financial position or results of operations after the reporting date, except as described under Capital Assets above.

Requests for Additional Information

This financial report is designed to provide citizens and taxpayers with a general overview of the finances of the Town of Dubach and to show accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town of Dubach at 7833 Annie Lee Street, Dubach, LA 71235. The phone number for the Town is (318) 777-3321.

GOVERNMENT WIDE FINANCIAL STATEMENTS

TOWN OF DUBACH, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash	\$ 312,925	\$ 165,944	\$ 478,869
Investments	290,392	175,319	465,711
Receivables--Net	44,374	17,401	61,775
Due from Other Governments	124,930	0	124,930
Internal Balances	71,137	(71,137)	0
Accrued Interest	1,944	6,948	8,892
Prepaid Insurance	23,571	13,656	37,227
Restricted Assets			
Cash-Flag Fund	1,385	0	1,385
Cash-Grants	33,903	0	33,903
Cash-Community Project	8,994	0	8,994
Cash-Customers' Deposits	0	29,645	29,645
Investments-Customers' Deposits	0	26,314	26,314
Capital Assets--Net	<u>335,523</u>	<u>2,023,453</u>	<u>2,358,976</u>
TOTAL ASSETS	<u>1,249,078</u>	<u>2,387,543</u>	<u>3,636,621</u>
LIABILITIES			
Accounts Payable	5,369	5,014	10,383
Contracts Payable	110,011	0	110,011
Retainage Payable	11,219	0	11,219
Accrued Expenses	4,395	9,898	14,293
Deferred Revenue	33,903	0	33,903
Customers' Deposits	<u>0</u>	<u>55,959</u>	<u>55,959</u>
TOTAL LIABILITIES	<u>164,897</u>	<u>70,871</u>	<u>235,768</u>
NET POSITION			
Invested in Capital Assets	335,523	2,023,453	2,358,976
Restricted for--			
Perpetual Care of Cemetery	12,896	0	12,896
Flag Fund	1,385	0	1,385
Grants	33,903	0	33,903
Community Projects	8,994	0	8,994
Unrestricted	<u>691,480</u>	<u>293,219</u>	<u>984,699</u>
TOTAL NET POSITION	<u>\$ 1,084,181</u>	<u>\$ 2,316,672</u>	<u>\$ 3,400,853</u>

See accompanying notes to financial statements.

TOWN OF DUBACH, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
PRIMARY GOVERNMENT							
GOVERNMENTAL ACTIVITIES:							
General Government	\$ 238,011	\$ 28,873	\$ 229,823	\$ 0	\$ 20,685	\$ 0	\$ 20,685
Police	126,238	23,281	10,020	124,371	31,434	0	31,434
Highways and Streets	33,475	3,813	0	0	(29,662)	0	(29,662)
Sanitation	102,923	37,732	52,620	0	(12,571)	0	(12,571)
Cemetery	900	0	733	0	(167)	0	(167)
TOTAL GOVERNMENTAL ACTIVITIES	<u>501,547</u>	<u>93,699</u>	<u>293,196</u>	<u>124,371</u>	<u>9,719</u>	<u>0</u>	<u>9,719</u>
BUSINESS-TYPE ACTIVITIES:							
Water and Sewer	562,095	237,752	0	0	0	(324,343)	(324,343)
TOTAL PRIMARY GOVERNMENT	<u>\$ 1,063,642</u>	<u>\$ 331,451</u>	<u>\$ 293,196</u>	<u>\$ 124,371</u>	<u>9,719</u>	<u>(324,343)</u>	<u>(314,624)</u>
GENERAL REVENUES:							
Taxes							
Ad Valorem					30,168	0	30,168
Sales and Use					144,323	0	144,323
Franchise					40,790	0	40,790
Licenses					62,361	0	62,361
Investment Earnings					4,108	8,309	12,417
Other Revenue					1,843	0	1,843
SPECIAL ITEMS							
Net Proceeds from Insurance					30,693	6,071	36,764
TRANSFERS - ARPA GRANT					<u>(212,650)</u>	<u>212,650</u>	<u>0</u>
TOTAL GENERAL REVENUES					<u>101,636</u>	<u>227,030</u>	<u>328,666</u>
CHANGE IN NET POSITION					111,355	(97,313)	14,042
NET POSITION-BEGINNING					<u>972,826</u>	<u>2,413,985</u>	<u>3,386,811</u>
NET POSITION-ENDING					<u>\$ 1,084,181</u>	<u>\$ 2,316,672</u>	<u>\$ 3,400,853</u>

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

TOWN OF DUBACH, LOUISIANA
BALANCE SHEETS
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Garbage Fund	Other Governmental Fund Permanent Fund	Total Governmental Funds
ASSETS				
Cash	\$ 196,493	\$ 111,288	\$ 5,144	\$ 312,925
Investments	213,686	59,209	17,497	290,392
Receivables--Net	44,374	0	0	44,374
Receivable from Other Governments	112,299	12,631	0	124,930
Due from Other Funds	31,758	51,119	0	82,877
Accrued Interest	100	1,517	327	1,944
Prepaid Insurance	15,401	8,170	0	23,571
Restricted Cash	44,282	0	0	44,282
TOTAL ASSETS	<u>\$ 658,393</u>	<u>\$ 243,934</u>	<u>\$ 22,968</u>	<u>\$ 925,295</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES:				
Accounts Payable	\$ 5,021	\$ 348	\$ 0	\$ 5,369
Contracts Payable	110,011	0	0	110,011
Retainage Payable	11,219	0	0	11,219
Accrued Expenses	364	4,031	0	4,395
Due to Other Funds	0	11,740	0	11,740
Deferred Revenue	34,894	0	0	34,894
TOTAL LIABILITIES	<u>161,509</u>	<u>16,119</u>	<u>0</u>	<u>177,628</u>
FUND BALANCES:				
Nonspendable--				
Prepaid Insurance	15,401	8,170	0	23,571
Perpetual Care of Cemetery	0	0	12,896	12,896
Restricted--Flag	1,385	0	0	1,385
Restricted--Grant	33,903	0	0	33,903
Restricted--Community Projects	8,994	0	0	8,994
Committed for--				
Garbage	0	219,645	0	219,645
Cemetery	0	0	10,072	10,072
Unassigned	437,201	0	0	437,201
TOTAL FUND BALANCE	<u>496,884</u>	<u>227,815</u>	<u>22,968</u>	<u>747,667</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 658,393</u>	<u>\$ 243,934</u>	<u>\$ 22,968</u>	<u>\$ 925,295</u>

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2024**

Total Fund Balances-Governmental Funds	\$	747,667
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.		335,523
Certain ad valorem taxes receivable are not available to pay current period expenditures and therefore are recognized as deferred revenues in the governmental funds.		991
Net Position of Governmental Activities	\$	<u>1,084,181</u>

See accompanying notes to financial statements.

TOWN OF DUBACH, LOUISIANA
STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES--GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>General Fund</u>	<u>Garbage Fund</u>	<u>Other Governmental Fund Permanent Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes				
Ad Valorem	\$ 30,430	\$ 0	\$ 0	\$ 30,430
Franchise	40,790	0	0	40,790
Sales and Use	144,322	0	0	144,322
Licenses and Permits	62,361	0	0	62,361
Intergovernmental				
Hotel Tax	8,381	0	0	8,381
Supplemental Pay - Police	10,020	0	0	10,020
Right-of-Way Maintenance	3,813	0	0	3,813
Town's Portion of 1/2% Tax	0	57,776	0	57,776
Grant	357,179	0	0	357,179
Charges for Services	17,247	37,732	0	54,979
Fines	23,281	0	0	23,281
Investment Earnings	2,348	1,760	733	4,841
Contributions and Donations	7,342	0	0	7,342
Other Revenues				
Rent	11,550	0	0	11,550
Royalties and Gas Lease	1,843	0	0	1,843
Miscellaneous	76	0	0	76
TOTAL REVENUES	<u>720,983</u>	<u>97,268</u>	<u>733</u>	<u>818,984</u>
EXPENDITURES				
General Government	214,089	0	0	214,089
Police	115,150	0	0	115,150
Highways and Streets	32,076	0	0	32,076
Sanitation	0	101,923	0	101,923
Capital Outlay	142,590	0	0	142,590
TOTAL EXPENDITURES	<u>503,905</u>	<u>101,923</u>	<u>0</u>	<u>605,828</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	217,078	(4,655)	733	213,156
OTHER FINANCING SOURCES				
Transfers Out - ARPA Grant	(213,350)	0	0	(213,350)
Transfers In - ARPA Grant	<u>0</u>	<u>700</u>	<u>0</u>	<u>700</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(213,350)</u>	<u>700</u>	<u>0</u>	<u>(212,650)</u>
SPECIAL ITEM				
Insurance Proceeds for Asset Loss	<u>35,078</u>	<u>0</u>	<u>0</u>	<u>35,078</u>
TOTAL SPECIAL ITEMS	<u>35,078</u>	<u>0</u>	<u>0</u>	<u>35,078</u>
NET CHANGES IN FUND BALANCES	38,806	(3,955)	733	35,584
FUND BALANCES-BEGINNING	<u>458,078</u>	<u>231,770</u>	<u>22,235</u>	<u>712,083</u>
FUND BALANCES-ENDING	<u>\$ 496,884</u>	<u>\$ 227,815</u>	<u>\$ 22,968</u>	<u>\$ 747,667</u>

See accompanying notes to financial statements.

TOWN OF DUBACH, LOUISIANA
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, 2024

NET CHANGE IN FUND BALANCES-GOVERNMENTAL FUNDS	\$ 35,584
 Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. An adjustment is required for the amount by which capital outlay expense exceeded depreciation expense in the current period.	104,281
Governmental Funds do not recognize grant proceeds as revenue that were not received within sixty days of year end. However, in the Statement of Activities these proceeds are accrued as receivable and recognized as revenue in that year. An adjustment is required for the amount of the grant proceeds that were received in the current year that had been accrued and recognized as revenue in the prior year Statement of Activities.	(18,708)
Governmental Funds do not recognize intergovernmental revenue as revenue that was not received within sixty days of year end. However, in the Statement of Activities these proceeds are accrued as receivable and recognized as revenue in the current year. An adjustment is required for the amount of the intergovernmental revenue that was received in the current year that had been accrued and recognized as revenue in prior year Statement of Activities.	(5,156)
Governmental Fund statements do not report a gain or loss on disposal of assets. However, the Statement of Activities recognizes gain or loss on disposal of assets. An adjustment is needed for the net effect of the disposal of assets applied to an insurance reimbursement recognized in the Statement of Activities.	(4,385)
Governmental Funds report ad valorem taxes as revenue when collected or available to fund current period expenses. Revenue in the statement of activities is recognized when the taxes become due. An adjustment is required for ad valorem taxes that do not provide current resources:	
Accrued revenue for ad valorem taxes that were not received within sixty days of year end, net of amounts received for the previous year not recognized as revenue in that year due to non-collection within sixty days of year end.	<u>(261)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 111,355</u>

See accompanying notes to financial statements.

TOWN OF DUBACH, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2024

	<u>Water and Sewer Enterprise Fund</u>
ASSETS	
CURRENT ASSETS:	
Cash	\$ 165,944
Investments	175,319
Accounts Receivable--Net of Allowance of \$1,100	17,401
Accrued Interest	6,948
Prepaid Insurance	<u>13,656</u>
TOTAL CURRENT ASSETS	<u>379,268</u>
NON-CURRENT ASSETS:	
Restricted Assets	
Cash-Customers' Deposits	29,645
Investments-Customers' Deposits	<u>26,314</u>
Total Restricted Assets	<u>55,959</u>
Capital Assets--Net of Accumulated Depreciation	<u>2,023,453</u>
TOTAL NON-CURRENT ASSETS	<u>2,079,412</u>
TOTAL ASSETS	<u>2,458,680</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable	5,014
Accrued Expenses	
Accrued Payroll	3,078
Accrued Vacation	6,662
Sales Tax Payable	158
Due to Other Funds	<u>71,137</u>
TOTAL CURRENT LIABILITIES	<u>86,049</u>
NON-CURRENT LIABILITIES	
Customers' Deposits Payable	<u>55,959</u>
TOTAL NON-CURRENT LIABILITIES	<u>55,959</u>
TOTAL LIABILITIES	<u>142,008</u>
NET POSITION	
Invested in Capital Assets	2,023,453
Unrestricted	<u>293,219</u>
TOTAL NET POSITION	<u>\$ 2,316,672</u>

See accompanying notes to financial statements.

TOWN OF DUBACH, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Water and Sewer Enterprise Fund</u>
OPERATING REVENUES	
Water Sales	\$ 121,233
Sewer Fees	109,251
Delinquent Fees	5,771
Connecting and Re-connecting Fees	<u>1,497</u>
TOTAL OPERATING REVENUES	<u>237,752</u>
OPERATING EXPENSES	
Depreciation	112,504
Insurance-Utility Fund	21,659
Legal and Accounting Fees	1,203
Miscellaneous	1,282
Operations and Maintenance of System	250,113
Office Supplies, Postage, and Printing	5,862
Outside Services	29,292
Safe Drinking Water Fee	4,580
Salaries	104,824
Taxes-Payroll	7,770
Truck Maintenance and Operations	580
Utilities	<u>22,426</u>
TOTAL OPERATING EXPENSES	<u>562,095</u>
OPERATING LOSS	<u>(324,343)</u>
NON-OPERATING REVENUES	
Interest Income	8,309
Proceeds from Insurance Loss	<u>6,071</u>
TOTAL NON-OPERATING REVENUES	<u>14,380</u>
TRANSFERS IN - ARPA Grant	<u>212,650</u>
CHANGE IN NET POSITION	(97,313)
TOTAL NET POSITION-BEGINNING	<u>2,413,985</u>
TOTAL NET POSITION-ENDING	<u>\$ 2,316,672</u>

See accompanying notes to financial statements.

TOWN OF DUBACH, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Water and Sewer Enterprise Fund</u>
Cash Flows From Operating Activities	
Cash Received from Customers and Users	\$ 238,566
Cash Payments for Goods and Services	(342,795)
Cash Payments to Employees	<u>(101,252)</u>
Net Cash Used By Operating Activities	<u>(205,481)</u>
Cash Flows From Noncapital Financing Activities	
Reimbursements to Other Funds	(6,488)
Transfers from Other Funds for ARPA	212,650
Proceeds from Insurance Loss	<u>6,071</u>
Net Cash Provided By Noncapital Financing Activities	<u>212,233</u>
Cash Flows From Capital Financing Activities	
Proceeds from Capital Grants	16,722
Purchase of Land	(16,000)
Purchase of Fixed Assets	<u>(8,571)</u>
Net Cash Used By Capital Financing Activities	<u>(7,849)</u>
Cash Flows From Investing Activities	
Maturity of Certificates of Deposit Investments	196,396
Purchase of Certificate of Deposit Investments	(201,633)
Interest Received	<u>5,406</u>
Net Cash Provided By Investing Activities	<u>169</u>
Net Decrease In Cash	(928)
Cash At Beginning Of Year	<u>196,517</u>
Cash At End Of Year	<u>\$ 195,589</u>
Reconciliation Of Operating Loss To Net Cash Used By Operating Activities:	
Operating Loss	\$ (324,343)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities--	
Depreciation	112,504
(Increase) Decrease in Net Accounts Receivable	(624)
(Increase) Decrease in Prepaid Insurance	1,481
Increase (Decrease) in Accounts Payable	333
Increase (Decrease) in Accrued Expenses	3,730
Increase (Decrease) in Customers' Deposits	<u>1,438</u>
Total Adjustments	<u>118,862</u>
Net Cash Used By Operating Activities	<u>\$ (205,481)</u>
Cash Per Statement of Net Position:	
Current Cash	\$ 165,944
Restricted Cash	<u>29,645</u>
Total Cash at End of Year	<u>\$ 195,589</u>

See accompanying notes to financial statements.

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

The Town of Dubach, Louisiana, was incorporated in 1898 under the provisions of the Lawrason Act. The Town operates under a Mayor-Council form of government with five council members. Services provided by the Town include police protection, sanitation, and street maintenance. The Town also operates a water distribution system and sewer system for about 400 customers.

The accompanying basic financial statements of the Town of Dubach, Louisiana, are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing generally accepted accounting principles for state and local governments through its pronouncements (Statements of Interpretations). The more significant accounting policies established in GAAP and used by the Town are discussed below.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

These financial statements present the Town of Dubach as the primary government. GASBS No. 14 establishes the criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the provisions of this Statement, the Town of Dubach is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASBS No. 14, fiscally independent means that the municipality may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Component units can be identified by financial accountability and whether exclusion would create misleading or incomplete financial statements. No component units were identified for the Town of Dubach.

B. Basic Financial Statements--Government-Wide Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's police protection, highways and streets, sanitation, cemetery, and general administrative services are classified as governmental activities. The Town's water and sewer services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are presented on a consolidated basis by column. They are reported on a full accrual, *economic resource* basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts--invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net costs of each of the Town's functions and business-type activities. The functions are also supported by general government revenues (property taxes, sales and use taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating grants, and capital grants. Program revenues must be directly associated with the function (police, public works, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue (taxes, intergovernmental revenues, interest income, etc.). The Town does not allocate indirect costs. The government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basic Financial Statements--Fund Financial Statements

The financial transactions of the Town of Dubach are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria for the determination of major funds. All funds were considered by the Town to be major funds.

The following funds are used by the Town of Dubach:

Governmental Funds--The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds reported by the Town of Dubach:

General Fund

The General Fund is the Town's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes.

Permanent Fund

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for the purposes that support the reporting government's programs.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

Proprietary Funds--The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Town:

Enterprise Funds

Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Water and Sewer Enterprise fund of the Town meets this criteria and operates the Town's water distribution system and its sewer system, which primarily serve Town residents.

The activities reported in this fund are reported as business-type activities in the government-wide financial statements.

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Sales tax collected and held by the sales tax collection agency at year end on behalf of the government are reported in the period for which they were collected. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Property tax revenues are recognized in the period for which levied provided they are also available. Sales tax collected and held by the sales tax collection agency at year end on behalf of the government are reported in the period for which they were collected provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

The Town reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

E. Cash Deposits and Investments

Cash and cash equivalents consist of cash on hand, demand deposits, interest-bearing demand deposits, and short-term time deposits with original maturities of three months or less from date of acquisition.

Under state law, the Town of Dubach may invest funds 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 are reported at fair value.

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Restricted Assets

Restricted assets represent resources that must be expended in a specific manner. The "customers' deposits" account is used to report proceeds from customers' meter deposits. A corresponding liability is presented to record these funds held by the enterprise fund. The "flag fund" and "community projects" account is used for donations dedicated to the purchase and repair of flags for the flag pole and community projects, respectively. The "grant" account is used for grant proceeds dedicated to the purpose of the grant.

G. Compensated Absences

Employees earn either one or two weeks of vacation time each year, depending upon years of service. Employees earn 12 days of sick leave each year. Vacation can be accumulated. The Town accrues accumulated unpaid vacation when earned by the employee. There were \$8,808 in accrued vacation benefits at year end. There were no accumulated and vested sick leave benefits at year end.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

H. Use of Estimates

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

I. Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements. At the end of the fiscal year, outstanding funds are referred as "due to/from other funds" on the fund financial statements balance sheets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

J. Receivables

Ad valorem tax and proprietary fund receivables are shown net of an allowance for uncollectible amounts. Estimated uncollectible amounts are recognized as a reduction in revenue in the general fund and as bad debt expense in the proprietary fund through an allowance established based upon collection experience and other factors which indicate possible uncollectibility.

K. Deferred Outflows of Resources and Deferred Inflows of Resources

The Town reports decreases in net assets that relate to future periods as deferred outflows of resources and increases in net assets that relate to future periods as deferred inflows of resources in a separate section of its government-wide and proprietary fund statements of net position. There were no deferred outflows or deferred inflows of resources reported in this year's financial statements.

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Property Tax and Sales Tax Revenues

Ad Valorem taxes are levied by the Town on a calendar year basis and become delinquent on December 31. The Town bills and collects its own Ad Valorem taxes. For the 2023 Ad Valorem Taxes, one rate of tax was levied on property within the corporate limits, as follows:

6.95 mills for the general maintenance of the Town. This millage was approved by the Town Council July 17, 2023. This millage is the maximum millage that can be assessed without the approval of voters.

For the year ended June 30, 2024, taxes of \$28,834 were levied on property. Taxes receivable at June 30, 2024 consisted of the following:

Taxes Receivable	\$ 1,661
Allowance for Uncollectible Taxes	<u>(670)</u>
Net Ad Valorem Taxes Receivable	<u>\$ 991</u>

The following are the principal taxpayers and their related ad valorem tax revenue for the Town:

First Guaranty	\$ 2,958
Entergy	1,069
MDC Coast 13	773
Dubach Apartments	762
Centerpoint Energy Arkla	<u>753</u>
Total	<u>\$ 6,315</u>

The qualified electors of the Town of Dubach authorized a one cent sales and use tax levy to be dedicated and used for the purpose of providing funds for any lawful corporate purpose of the Town.

The qualified electors of Lincoln Parish authorized a half cent sales and use tax levy to be dedicated and used for the purpose of solid waste disposal. The proceeds of the sales tax, after paying reasonable and necessary cost and expenses of collecting and administering the tax and cost of operating and maintaining parish-wide solid waste disposal facilities and necessary equipment in connection therewith, is allocated and divided between the Lincoln Parish Police Jury and the incorporated municipalities of the parish according to a formula based upon the ratio that the population of each municipality or entity bears to the total population of the parish as shown by the most recent federal decennial census. The proceeds are restricted for use in the operation and maintenance of solid waste collection facilities, including equipment, furnishings, and other property in connection therewith.

M. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost, except that general infrastructure capital assets consisting of streets, bridges, sidewalks, and drainage systems acquired before July 1, 2003, are excluded from capital assets. Donated assets are recorded as capital assets at their acquisition value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Capital Assets (continued)

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

Buildings and Building Improvements	30 years
Water and Sewer Systems	10-50 years
Machinery and Equipment	3-20 years
Improvements other than Buildings	30 years

N. Defining Operating Revenues and Expenses

The Town's proprietary funds distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses of the Town's water and sewer fund consist of charges for services and costs of providing those services, including depreciation and excluding interest cost. All other revenues and expenses are reported as nonoperating.

O. Government-wide and Proprietary Fund Net Position

Government-wide and proprietary fund net position are divided into three components:

Invested in capital assets, net of related debt--consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

Restricted net position--consist of a net position that is restricted by the Town's creditors, by grantors, and by other contributors.

Unrestricted--all other net position is reported in this category.

P. Governmental Fund Balance

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable Fund Balance - amounts that are not in spendable form (such as prepaids) or are required to be maintained intact.

Restricted Fund Balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed Fund Balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Assigned Fund Balance - amounts the government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned Fund Balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Governmental Fund Balance (continued)

The Town Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by Town Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Town's policy is to first apply the expenditure toward restricted resources and then toward unrestricted resources. In governmental funds, the Town's policy is to first apply the expenditure toward restricted fund balance and then to other, less restrictive classifications--committed and then assigned fund balances before using unassigned fund balances.

Q. Prepaid Insurance

Payments made to insurance companies for insurance coverage that will benefit periods beyond June 30, 2024, are recorded as prepaid items in the asset section of the fund financial statements balance sheet.

R. Budget Information

The Town of Dubach prepared operating budgets on its General Fund and Special Revenue Fund for the year ended June 30, 2024. The proposed budgets were made available for public inspection. A public hearing for the proposed budgets was held on June 20, 2023, and the budgets were adopted by the mayor and council members. There were legally adopted budget amendments prior to year end. The budgets presented anticipated revenues and expenditures on a basis consistent with generally accepted accounting principles. Budgetary amounts were monitored by management and amended as deemed necessary. In the current year, the general fund and the garbage fund had unfavorable budget variances between budget and actual expenditures in excess of 5% in violation of state law. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

NOTE 2 - CASH AND INVESTMENTS

At June 30, 2024, the Town had cash and restricted cash (book balances) totaling \$552,796 and investments and restricted investments (book balances) totaling \$492,025, as follows:

	Cash	Investments
Cash on Hand	\$ 50	\$ 0
Demand Deposits	550,001	0
Time Deposits	2,745	492,025
Total	\$ 552,796	\$ 492,025

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

The Town maintains its cash accounts in various banks. Each bank provides Federal Deposit Insurance Corporation (FDIC) coverage of \$250,000 for all demand deposits and \$250,000 for all time deposits. At June 30, 2024, the Town had \$1,092,350 in deposits (collected bank balances). These deposits are secured from risk by \$751,064 of federal deposit insurance and \$341,286 of pledged securities held by custodial banks in the name of the fiscal agent banks.

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 - RECEIVABLES

The receivables of \$61,775 at June 30, 2024, include amounts for each fund as follows:

	<u>General Fund</u>	<u>Garbage Fund</u>	<u>Permanent Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Taxes					
Ad Valorem, net of allowance of \$670	\$ 991	\$ 0	\$ 0	\$ 0	\$ 991
Sales and Use	24,888	0	0	0	24,888
Franchise	8,843	0	0	0	8,843
Accounts Receivable, net of allowance of \$1,100	0	0	0	17,401	17,401
Due from Collection Agency	9,290	0	0	0	9,290
Other	<u>362</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>362</u>
Total	<u>\$ 44,374</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,401</u>	<u>\$ 61,775</u>

NOTE 4 - DUE FROM OTHER GOVERNMENTS

The amounts due from other governments of \$124,930 at June 30, 2024, include amounts for each fund as follows:

	<u>General Fund</u>	<u>Garbage Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Right-of-Way Maintenance	\$ 2,288	\$ 0	\$ 0	\$ 2,288
Grant	110,011	0	0	110,011
Town's Portion of 1/2% Tax from LPPJ	<u>0</u>	<u>12,631</u>	<u>0</u>	<u>12,631</u>
Total	<u>\$ 112,299</u>	<u>\$ 12,631</u>	<u>\$ 0</u>	<u>\$ 124,930</u>

NOTE 5 - INTERFUND RECEIVABLE/PAYABLE

Interfund receivable/payable balances resulting from interfund transactions are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 31,758	\$ 0
Special Revenue Fund-Garbage Fund	51,119	11,740
Utility Fund	<u>0</u>	<u>71,137</u>
Totals	<u>\$ 82,877</u>	<u>\$ 82,877</u>

The funds periodically submit reimbursements to the other funds.

NOTE 6 - RESTRICTED ASSETS

Restricted assets were applicable to the following at June 30, 2024:

General Fund	
Flag Fund	\$ 1,385
Community Projects	8,994
Grant	<u>33,903</u>
Total Restricted Assets	<u>\$ 44,282</u>
Proprietary Fund	
Customers' Deposits	\$ 55,959
	<u>0</u>
Total Restricted Assets	<u>\$ 55,959</u>

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 7 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2024, for the Town of Dubach are as follows:

	Beginning Balance <u>07/01/23</u>	Additions	Deletions	Ending Balance <u>06/30/24</u>
Governmental Activities:				
Capital Assets				
Land	\$ 65,547	\$ 0	\$ 0	\$ 65,547
Construction in Progress	9,500	137,190	0	146,690
Buildings and Building Improvements	224,317	0	0	224,317
Improvements Other than Buildings	103,946	5,400	0	109,346
Streets	251,245	0	0	251,245
Machinery and Equipment	<u>395,514</u>	<u>0</u>	<u>32,885</u>	<u>362,629</u>
Total Capital Assets	<u>1,050,069</u>	<u>142,590</u>	<u>32,885</u>	<u>1,159,774</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	175,778	4,536	0	180,314
Improvements Other than Buildings	61,448	4,179	0	65,627
Streets	211,464	12,563	0	224,027
Machinery and Equipment	<u>365,752</u>	<u>17,031</u>	<u>28,500</u>	<u>354,283</u>
Total Accumulated Depreciation	<u>814,442</u>	<u>38,309</u>	<u>28,500</u>	<u>824,251</u>
Governmental Capital Assets, Net	<u>\$ 235,627</u>	<u>\$ 104,281</u>	<u>\$ 4,385</u>	<u>\$ 335,523</u>
Business-Type Activities:				
Capital Assets				
Land	\$ 17,925	\$ 16,000	\$ 0	\$ 33,925
Buildings	4,943	0	0	4,943
Water and Sewer Systems	4,499,043	8,572	0	4,507,615
Machinery and Equipment	<u>94,734</u>	<u>0</u>	<u>0</u>	<u>94,734</u>
Total	<u>4,616,645</u>	<u>24,572</u>	<u>0</u>	<u>4,641,217</u>
Less Accumulated Depreciation for:				
Water and Sewer Systems	2,457,098	99,119	0	2,556,217
Buildings	138	165	0	303
Machinery and Equipment	<u>48,024</u>	<u>13,220</u>	<u>0</u>	<u>61,244</u>
Total Accumulated Depreciation	<u>2,505,260</u>	<u>112,504</u>	<u>0</u>	<u>2,617,764</u>
Business-Type Capital Assets, Net	<u>\$ 2,111,385</u>	<u>\$ (87,932)</u>	<u>\$ 0</u>	<u>\$ 2,023,453</u>

Depreciation expense of \$38,309 for the year ended June 30, 2024, was charged to the following governmental functions:

General Government	\$ 23,921
Police	11,089
Highways and Streets	1,399
Sanitation	1,000
Cemetery	<u>900</u>
Total Governmental Depreciation Expense	<u>\$ 38,309</u>

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 - ON-BEHALF PAYMENTS

Employees of the Town of Dubach's Police Department received salary supplements of \$10,020 from the State of Louisiana for the year ended June 30, 2024. There were no fringe benefits paid on this supplemental salary.

NOTE 9 - INTERFUND TRANSFERS

Interfund transfer balances resulting from interfund transactions are as follows:

	Transfers In	Transfers Out
General Fund	\$ 0	\$ 213,350
Garbage Fund	700	0
Utility Fund	212,650	0
Totals	\$ 213,350	\$ 213,350

Transfers are used to move ARPA grant revenues from the fund that the budget requires to report them to the funds that the budget requires to expend them.

NOTE 10 - DEFERRED REVENUE

Governmental funds reported deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year \$219,500 of deferred grant revenue was recognized in governmental funds. The various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Delinquent Property Taxes Receivable (General Fund)	\$ 991	\$ 0
Grants with unmet Eligibility Requirements (General Fund)	0	33,903
Totals	\$ 991	\$ 33,903

The unearned revenue is reported as deferred revenue in the government-wide Statement of Net Position.

NOTE 11 - COMMITMENTS

The Town of Dubach has one active project as of June 30, 2024, a government activities project for improvements to the Old Mill Pond Park that includes a concrete walking trail, painting the existing park equipment and restrooms, demolition of the existing pavilion, and constructing of a new pavilion.

The project is financed with a Louisiana Community Development Block Grant of \$125,000 and funds provided by the Town. There are signed contracts of \$26,500 for administrative fees, \$18,000 for engineering fees, and \$112,190 for construction (including an approved change order of \$34,190).

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11- COMMITMENTS (continued)

At year end, the commitments with contractors for this project are as follows:

	Charges Incurred	Remaining Commitment
Meyer, Meyer, LaCroix & Hixson Engineers (MML&H)	\$ 18,000	\$ 0
James L. Davis Construction, LLC	100,971	11,219
Frye Magee, LLC	16,500	10,000
Total	\$ 135,471	\$ 21,219

This project had \$100,971 incurred as contracts payable to James L. Davis Construction, LLC that was payable at year end which is to be funded by the grant. The remaining commitment to James L. Davis Construction, LLC is for the retainage to be funded partially (\$6,029) by the grant and partially (\$5,190) by the general fund. The remaining commitment to Frye Magee, LLC for administrative services, is to be funded by the Town's general fund.

**REQUIRED SUPPLEMENTAL INFORMATION
(PART II)**

TOWN OF DUBACH, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
-BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
REVENUES				
Taxes				
Ad Valorem	\$ 25,000	\$ 34,000	\$ 30,430	\$ (3,570)
Franchise	39,000	39,000	40,790	1,790
Sales and Use	115,000	154,000	144,322	(9,678)
Licenses	41,000	41,000	62,361	21,361
Intergovernmental				
Hotel Tax	6,300	6,300	8,381	2,081
Supplemental Pay-Police	9,500	14,000	10,020	(3,980)
Grants	0	125,000	357,179	232,179
Right-of-Way Maintenance	3,050	3,050	3,813	763
Charges for Services	10,000	18,000	17,247	(753)
Fines	20,000	20,000	23,281	3,281
Investment Earnings	1,000	1,000	2,348	1,348
Contributions and Donations	0	0	7,342	7,342
Other Revenues				
Rent	5,000	9,000	11,550	2,550
Royalties and Gas Lease	2,300	2,000	1,843	(157)
Miscellaneous	400	400	76	(324)
TOTAL REVENUES	<u>277,550</u>	<u>466,750</u>	<u>720,983</u>	<u>254,233</u>
EXPENDITURES				
General Government	211,200	222,050	214,089	7,961
Police	120,700	123,652	115,150	8,502
Highways and Streets	24,000	25,800	32,076	(6,276)
Capital Outlay	0	95,000	142,590	(47,590)
TOTAL EXPENDITURES	<u>355,900</u>	<u>466,502</u>	<u>503,905</u>	<u>(37,403)</u>
EXCESS OF REVENUES OVER EXPENDITURES	(78,350)	248	217,078	216,830
OTHER FINANCING SOURCES				
Operating Transfers Out - ARPA	0	0	(213,350)	(213,350)
SPECIAL ITEM				
Insurance Proceeds	<u>0</u>	<u>0</u>	<u>35,078</u>	<u>35,078</u>
NET CHANGE IN FUND BALANCE	(78,350)	248	38,806	38,558
FUND BALANCE-BEGINNING	<u>525,225</u>	<u>520,425</u>	<u>458,078</u>	<u>(62,347)</u>
FUND BALANCE-ENDING	<u>\$ 446,875</u>	<u>\$ 520,673</u>	<u>\$ 496,884</u>	<u>\$ (23,789)</u>

TOWN OF DUBACH, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
--BUDGET AND ACTUAL - GARBAGE FUND
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Budget Favorable (Unfavorable)</u>
REVENUES				
Charges for Services	\$ 34,000	\$ 40,250	\$ 37,732	\$ (2,518)
Intergovernmental				
Town's Portion of 1/2% Tax	55,000	55,000	57,776	2,776
Investment Earnings	<u>300</u>	<u>0</u>	<u>1,760</u>	<u>1,760</u>
TOTAL REVENUES	<u>89,300</u>	<u>95,250</u>	<u>97,268</u>	<u>2,018</u>
EXPENDITURES				
Sanitation	<u>94,250</u>	<u>95,155</u>	<u>101,923</u>	<u>(6,768)</u>
TOTAL EXPENDITURES	<u>94,250</u>	<u>95,155</u>	<u>101,923</u>	<u>(6,768)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,950)	95	(4,655)	(4,750)
OTHER FINANCING SOURCES				
Operating Transfers In - ARPA	<u>0</u>	<u>0</u>	<u>700</u>	<u>700</u>
TOTAL OTHER FINANCING USES	<u>0</u>	<u>0</u>	<u>700</u>	<u>700</u>
NET CHANGES IN FUND BALANCE	(4,950)	95	(3,955)	(4,050)
FUND BALANCE-BEGINNING	<u>199,925</u>	<u>207,925</u>	<u>231,770</u>	<u>23,845</u>
FUND BALANCE-ENDING	<u>\$ 194,975</u>	<u>\$ 208,020</u>	<u>\$ 227,815</u>	<u>\$ 19,795</u>

OTHER REPORTS

DON M. McGEHEE
(A Professional Accounting Corporation)

P.O. Box 1344
205 E. Reynolds Dr., Suite A
Ruston, Louisiana 71273-1344

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

The Honorable Mona Wilson, Mayor
and Town Council
Town of Dubach
P.O. Box 252
Dubach, Louisiana 71235

I 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, each major fund, and the aggregate remaining fund information of the Town of Dubach, Louisiana, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Dubach's basic financial statements and have issued my report thereon dated February 5, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Town of Dubach'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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Dubach's internal control. Accordingly, I do not express an opinion on the effectiveness of the Town of Dubach's internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying *schedule of findings and questioned costs*, I identified certain deficiencies in internal control that I consider to be material weaknesses and significant deficiencies.

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.

I consider the deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as #2024-1 to be a material weakness, as described above.

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. I consider the deficiency described as #2024-2 in the accompanying schedule of findings and questioned costs to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Dubach's financial statements are free from material misstatement, I performed tests on 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed two instances 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 and questioned costs as #2024-3 and #2024-4.

Town of Dubach's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.



Don M. McGehee
Certified Public Accountant
February 5, 2025

TOWN OF DUBACH, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

I have audited the financial statements of the Town of Dubach, Louisiana, as of and for the year ended June 30, 2024, and have issued my report thereon dated February 5, 2025. I conducted my 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. My audit of the financial statements as of June 30, 2024 resulted in an unqualified opinion. The following is a summary of my audit observations on internal control, tests of compliance, and findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards:

Section 1 Summary of Auditors' Reports

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

Section 2 Financial Statement Findings

Finding 2024-1. Inadequate Segregation of Duties. The Town has inadequate segregation of duties in the accounting system because there are too few personnel involved in the accounting system.

Finding 2024-2. Insufficient Controls over Leave Records. The Town of Dubach paid salaries to an employee for sick leave hours that were not available. The leave records were being maintained by computer software, but in some cases it had not been set-up properly to calculate the correct leave time earned and it appeared that leave time was not being appropriately deducted from the records when used.

Finding 2024-3. Unfavorable Budget Variances. The Town's final general fund budget for the year ended June 30, 2024, included total estimated expenditures and operating transfers out of \$466,502. The actual expenditures and operating transfers out were \$717,255, an unfavorable budget variance of 50%. The final garbage fund budget included total estimated expenditures of \$95,155. The actual expenditures were \$101,923, a 7% unfavorable budget variance.

Finding 2024-4. Late Submission of Audit Report. The Town did not submit their audited financial statements until February 5, 2025. Certain audit information was not available in the time frame the auditor had planned to perform the audit, so the auditor was unable to complete the audit until after the six month due date.

TOWN OF DUBACH, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2024

The findings from the Schedule of Findings and Questioned Costs for the year ended June 30, 2024, are discussed below with management's response for a corrective action plan.

INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

Finding 2024-1. Inadequate Segregation of Duties. The Town is required to design internal control with proper segregation of duties to prevent, or detect and correct, misstatements in the accounting system. There are too few personnel involved in the accounting system to have adequate segregation of duties for internal control. The Town's financial statements could have a misstatement that would not be prevented, or detected and corrected. Recommend that the Town involve additional personnel in the accounting system to allow for adequate segregation of duties.

Response: The Town hired a new clerk and has already begun improving internal controls for the next year.

Finding 2024-2. Insufficient controls over payroll. The Town of Dubach paid salaries to an employee for sick leave hours that were not available. There should be internal controls in place to prevent, or detect and correct errors in employee leave records. The Town had one employee entering timecards each pay period, but no one was verifying that the leave records were accurate. The leave records were being maintained by computer software, but in some cases it was not calculating the correct leave time earned each pay period. Also, it appeared that some leave time was not being appropriately entered and deducted from the leave records when taken. Recommend that the Town assign two people the task of reviewing leave records and make the corrections as needed at the beginning of the next year. Also, recommend that a supervisor review the leave records each pay period to verify that the leave time is being accurately calculated and recorded in the leave records.

Response: The Mayor and new Town Clerk reviewed the leave records and determined the correct cumulative leave time for each employee beginning in July 1, 2024. Also, the cumulative leave records are updated by the new Town Clerk each pay period and verified by the Mayor beginning July 1, 2024.

Finding 2024-3. Unfavorable Budget Variance.

The Town's final general fund budget for the year ended June 30, 2024 included total estimated expenditures and operating transfers out of \$466,502. The actual expenditures and operating transfers out were \$717,255, an unfavorable budget variance of 50%. The final garbage fund budget included total estimated expenditures of \$95,155. The actual expenditures were \$101,923, a 7% unfavorable budget variance. According to state law, the budget should be amended when anticipated amounts exceed budget estimates by more than 5%. It appears the clerk was not aware of the unfavorable variances because of posting errors in the general fund and the garbage fund that were not corrected until after year end. I recommend reviewing the general ledgers for posting errors prior to year end and monitoring the budget and actual amounts to identify any unfavorable budget estimates in excess of 5%. The clerk should then notify the mayor of the unfavorable variances, so budget amendments can be prepared and proposed to the council for approval.

Response: The mayor will prepare proposed budget amendments upon notification by the clerk, Tammy Walker, that budget amendments are needed. The proposed budget amendments will be presented to the council for approval.

TOWN OF DUBACH, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2024
(CONTINUED)

Finding 2024-4. Late Submission of Audit. *The Town of Dubach's annual audit was not submitted to the Legislative Auditor within six months of year end, as required by state law. Certain audit information was not available in the time frame the auditor had planned to perform the audit, so the auditor was unable to complete the audit until after the six month due date. I recommend providing the required information earlier such that the audit can be filed on a timely basis.*

Response: The Town clerk resigned near the end of the year and a new clerk was hired. The previous clerk did not utilize help from other employees, and resigned without sharing any information with the other Town employees. The Town employees worked together to find the information needed for the audit. It was also discovered that the former clerk had made numerous posting errors on the general ledgers. The new clerk worked diligently to correct the posting errors. This took more time than the Town had anticipated, which prevented the Town from having the audit information available within the time frame the auditor planned to perform the audit. The Town plans to provide all the information the auditor needs so that the audit for the year ending June 30, 2025 can be filed on a timely basis.

TOWN OF DUBACH, LOUISIANA
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

FINDINGS	MANAGEMENT'S RESPONSES
2023-1. Separation of Duties. Too few personnel involved in the accounting system to have adequate separation of duties for internal control.	Unresolved. See Finding 2024-1.
2023-2. Preparation of Financial Statements. Personnel do not have sufficient financial expertise to prepare the financial statements <i>without some technical assistance in applying accounting principles that are in conformity with GAAP.</i>	Resolved.
2023-3. Unfavorable Budget Variance. The general fund expenditures had an unfavorable budget variance in excess of 5%.	Unresolved. See Finding 2024-3.

OTHER SUPPLEMENTAL INFORMATION

TOWN OF DUBACH, LOUISIANA
SCHEDULE OF PER DIEM PAYMENTS TO COUNCIL MEMBERS
FOR THE YEAR ENDED JUNE 30, 2024

<u>Council Members</u>	<u>Amount</u>
Mary Billberry	\$ 2,475
Michael Smith	900
Angela Dunn	2,475
Evelyn Graham	2,475
Christopher Moerbe	1,200
Monique Roberts	<u>2,475</u>
Total	<u>\$ 12,000</u>

TOWN OF DUBACH, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO THE MAYOR
FOR THE YEAR ENDED JUNE 30, 2024

Mayor, Mona Wilson:

<u>Purpose</u>	<u>Amount</u>
Salaries	\$ 22,271
Travel	3,273
Registration Fee	385
Reimbursements	2,223

TOWN OF DUBACH, LOUISIANA

SCHEDULE OF JUSTICE SYSTEM FUNDING - RECEIVING FOR THE YEAR ENDED JUNE 30, 2024

As Required by Act 87 of the 2020 Regular Legislative Session

	First Six Month Period <u>Ended 12/31/23</u>	Second Six Month Period <u>Ended 6/30/24</u>
Receipts From:		
Louisiana Department of Public Safety, Criminal Court Costs/Fees	\$ 50	\$ 25
	<u>0</u>	<u>0</u>
Total Receipts	<u>\$ 50</u>	<u>\$ 25</u>
Ending Balance of Amounts Assessed but Not Received	<u>\$ 0</u>	<u>\$ 0</u>

TOWN OF DUBACH, LOUISIANA

SCHEDULE OF JUSTICE SYSTEM FUNDING - COLLECTING/DISBURSING FOR THE YEAR ENDED JUNE 30, 2024

As Required by Act 87 of the 2020 Regular Legislative Session

	First Six Month Period <u>Ended 12/31/23</u>	Second Six Month Period <u>Ended 6/30/24</u>
Beginning Balance of Amounts Collected	\$ 0	\$ 0
Add: Collections		
Criminal Fines - Other	<u>11,261</u>	<u>11,933</u>
Subtotal Collections	<u>11,261</u>	<u>11,933</u>
Less: Disbursements to Governments and Nonprofits		
DHH-TH/SCI T.F.	175	255
Louisiana Supreme Court	18	28
North Louisiana Criminalistics Lab	1,070	1,700
Louisiana Commission on Law Enforcement	74	115
CMIS	35	91
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collections	0	0
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amounts	0	0
Amounts "Self-Disbursed" to Collecting Agency Criminal Fines - Other	9,889	9,744
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Other Disbursements to Individuals	<u>0</u>	<u>0</u>
Subtotal Disbursements/Retainage	<u>11,261</u>	<u>11,933</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ 0</u>	<u>\$ 0</u>
Ending Balance of "Partial Payments" Collected but not Disbursed	<u>\$ 0</u>	<u>\$ 0</u>

Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected	<u>\$ 0</u>	<u>\$ 0</u>
Total Waivers During the Fiscal Period	<u>\$ 0</u>	<u>\$ 0</u>

**TOWN OF DUBACH
LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES
JUNE 30, 2024**

DON M. McGEHEE
(A Professional Accounting Corporation)

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Ruston, Louisiana 71273-1344

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

Board of Directors of the Town of Dubach
and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2023 through June 30, 2024. The Town's management is responsible for those C/C areas identified in the SAUPs.

The Town of Dubach 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 the LLA's SAUPs for the fiscal period July 1, 2023 through June 30, 2024. 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.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

Management does not have written policies and procedures for these functions.

ii. **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

Management does not have written policies and procedures for these functions.

iii. **Disbursements**, including processing, reviewing, and approving.

Management does not have written policies and procedures for these functions.

iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Management does not have written policies and procedures for these functions.

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

Management does not have written policies and procedures for these functions.

- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Management does not have written policies and procedures for these functions.

- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Management does not have written policies and procedures for these functions.

- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Management does not have written policies and procedures for these functions.

- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Management does not have written policies and procedures for these functions.

- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Management does not have written policies and procedures for these functions.

- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Management does not have written policies and procedures for these functions.

- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Management provided us with a written policy, except it does not include the policy on annual reporting.

Management's Response: The Town of Dubach is a small entity with only three employees in the office. We use guidance provided by state law and have policies and procedures that address many of the categories and subcategories shown above, but we do not have formal written policies and procedures, except for sexual harassment. The sexual harassment policy will be updated to address annual reporting as required.

2) Board (or Finance Committee, if applicable)

A. 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:

- i. 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.

No exceptions were found as a result of this procedure.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds.

The minutes for monthly meetings referenced monthly financial information being presented, but budget-to-actual comparisons are only presented periodically during the year.

Management's Response: The Town of Dubach council members are presented with the monthly bills each month for all funds. The council members make inquiries and give special consideration to unusual expenditures that might have a negative effect on the budget, so that budget amendments can be made as appropriate. The clerk will begin presenting budget-to-actual comparisons more often.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Not applicable.

- iv. 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.

There were no written updates on the progress of resolving audit findings.

Management's Response: The clerk will update the council members at the monthly council meetings about the progress of resolving the audit findings beginning in February, 2025 until the findings are considered fully resolved.

3) Bank Reconciliations

A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

No exceptions were found as a result of this procedure.

- ii. 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 one month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

No exceptions were found as a result of this procedure.

- iii. 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 exceptions were found as a result of this procedure.

4) Collections (excluding electronic funds transfers)

- A. 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).

Management provided us with the required list and representation that it is complete.

- B. 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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:

- i. Employees responsible for cash collections do not share cash drawers/registers;

There are three employees working in the office and they all collect cash and share the same cash drawer.

Management's Response: The Town of Dubach has one employee primarily responsible for cash collections and she has a cash drawer. There are times that one of the other two office employees will be responsible for collecting cash, and they will all share the cash drawer.

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

The person primarily responsible for collecting cash does prepare/make bank deposits, but one of the other employees uses pre-numbered receipts or other supporting documentation to reconcile to the deposits.

- iii. Each employee responsible for collecting cash is not also 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; and

There are three employees that work in the office, all of which collect cash, but only two may post collection entries to the general ledger or subsidiary ledgers.

Management's Response: The Town of Dubach has one employee primarily responsible for cash collections and posting to subsidiary ledgers. She does not post to the general ledger nor does she reconcile ledger posting to each other and the deposit.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee verifies the reconciliation.

The employee responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, does collect cash at times.

Management's Response: The Town of Dubach has one employee primarily responsible for cash collections but she does not reconcile to the general ledger and/or subsidiary ledgers. The other two employees do collect cash at times when needed, and are responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

No exceptions were found as a result of this procedure.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.

No exceptions were found as a result of this procedure.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions were found as a result of this procedure.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions were found as a result of this procedure.

- iv. 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 and the cash is stored securely in a locked safe or drawer).

No exceptions were found as a result of this procedure.

- v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions were found as a result of this procedure.

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

- A. 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).

Management provided us with the required list and represented that it is complete.

B. For each location selected under procedure #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

There are at least two employees involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

- ii. At least two employees are involved in processing and approving payments to vendors;

There are at least two employees involved in processing and approving payments to vendors.

- iii. 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;

Only one person processes payments, but she is not prohibited from adding vendors to the Town's disbursement system.

Management's Response: The Town of Dubach has one person that processes payments and adds vendors, but all payments still have to be approved by two people.

- iv. 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; and

All checks are signed by two people, but there are no controls on who mails the payment.

Management's Response: The Town of Dubach has two office employees that can sign checks, either of which may be involved in the mailing of checks.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Electronic disbursements are approved by an employee/official authorized to sign checks.

C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transactions 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:

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exceptions were found as a result of this procedure.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

No exceptions were found as a result of this procedure.

- D. 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 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.

There were three electronic payments selected for testing. Two of the disbursements appeared to be properly approved by someone authorized to disburse funds and by authorized signers. Management did not provide me with any evidence of approval for one of the electronic disbursements selected for testing by persons authorized to disburse funds or by the required number of authorized signers.

Management's Response: The Town of Dubach does not have a policy requiring documentation of approval for electronic disbursements. The Town will develop policies to provide this documentation in 2025.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.

Management provided us with the required list and represented that it is complete.

- B. 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:

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

No exceptions were found as a result of this procedure.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions were found as a result of this procedure.

- C. Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to inspection). 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). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as "missing receipt statement" that is subject to increased scrutiny.

Management did not provide us with itemized receipts for twelve of the thirteen transactions tested. There was no written documentation of the business/public purpose for the transactions. There were no compensating controls to address missing receipts.

Management's Response: The Town of Dubach has no written policies regarding the required documentation for credit card transactions or a missing receipt statement. The Town will develop policies that require the documentation and a missing receipt statement subjecting those charges to increased scrutiny.

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

- A. 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 and 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:

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

No exceptions were found as a result of this procedure.

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

No exceptions were found as a result of this procedure.

- iii. 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 Policies and Procedures procedure #1A(vii); and

One of the transactions was supported by documentation of the business/public purpose. Four of the reimbursements selected did not have documentation of the business/public purpose.

Management's Response: The Town of Dubach does not have written policies and procedures for documentation required for travel reimbursements. All of the reimbursements selected were for business/public purpose.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

None of the reimbursements selected indicated in writing that someone had reviewed and approved them.

Management's Response: The Town of Dubach has no written policies requiring that the travel reimbursements be reviewed and approved by someone other than the person receiving reimbursement. The Town will develop policies that require that someone indicate in writing that all travel reimbursements have been reviewed and approved.

8) Contracts

- A. 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. *Alternatively, 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:

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

No exceptions were found as a result of this procedure.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

No exceptions were found as a result of this procedure.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

No exceptions were found as a result of this procedure.

- iv. 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.

No exceptions were found as a result of this procedure.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

No exceptions were found as a result of this procedure.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

All selected employees that earn leave documented their daily attendance and leave.

- ii. Observe whether supervisors approved the attendance and leave of the selected employee or officials;

None of the attendance and leave of selected employees had written documentation of approval.

Management's Response: The Town of Dubach has a very limited number of employees, the mayor or chief of police approve all attendance and leave, but there is no written documentation.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

No exceptions were found as a result of this procedure.

- iv. Observe that the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exceptions were found as a result of this procedure.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

No exceptions were found as a result of this procedure.

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

There were no changes in the Town's ethics policy during the fiscal period.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

The Town has appointed an ethics designee.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

The Town had no outstanding debt during the fiscal period.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

The Town had no outstanding debt during the fiscal period.

12) Fraud Notice

- A. 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 as required by R.S. 24:523.

No exceptions were found as a result of this procedure.

- B. 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.

No exceptions were found as a result of this procedure.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe 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 procedures and discussed the results with management.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then 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 procedures and discussed the results with management.

- iii. 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 procedures and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

No exceptions were found as a result of this procedure.

- C. 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. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

No exceptions were found as a result of this procedure.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

No exceptions were found as a result of this procedure.

- B. Observe that 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.)

No exceptions were found as a result of this procedure.

- C. 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 that the report includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;

No exceptions were found as a result of this procedure.

- ii. Number of sexual harassment complaints received by the agency;

No exceptions were found as a result of this procedure.

iii. Number of complaints which resulted in a finding that sexual harassment occurred;

No exceptions were found as a result of this procedure.

iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

No exceptions were found as a result of this procedure.

v. Amount of time it took to resolve each complaint.

No exceptions were found as a result of this procedure.

I was engaged by the Town of Dubach to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I was 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, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the Town of Dubach and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my 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.



Don M. McGehee
Certified Public Accountant
February 5, 2025