

TOWN OF KILLIAN, LOUISIANA

Financial Statements with Supplementary Information

June 30, 2024

(With Independent Auditor's Report Thereon)

TOWN OF KILLIAN, LOUISIANA

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American Society of Certified Public Accountants
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Independent Auditor's Report

**Board of Commissioners
Town of Killian
Killian, Louisiana**

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and the General Fund of the Town of Killian, Louisiana (the Town), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Business-Type Activities	Unmodified
General Fund	Qualified

Qualified Opinions on the Governmental Activities and the General Fund

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the Governmental Activities and the General Fund of the Town, as of June 30, 2024, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion on Business-Type Activities

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Town, as of June 30, 2024, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Killian, Louisiana, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

Matter Giving Rise to the Qualified Opinion on the Governmental Activities and the General Fund

Management of the Town has not provided sufficient and appropriate supporting documentation for a significant portion of expenses. As a result, we could not determine whether any adjustments might be necessary for expenses or the related disclosures.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing

an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the statement of revenues, expenditures, and changes in fund balance – budget and actual – General Fund on pages 26 to 28 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head, schedule of compensation paid to board members, and justice system funding schedule - collecting / disbursing entity as required by Act 87 of the 2020 regular legislative session 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 our opinion, the accompanying schedule of compensation, benefits, and other payments to agency head, schedule of compensation paid to board members, and justice system funding schedule - collecting / disbursing entity as required by Act 87 of the 2020 regular legislative session are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Griffin & Furman, LLC

October 22, 2025

Covington, Louisiana

TOWN OF KILLIAN, LOUISIANA

Statement of Net Position

June 30, 2024

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash	\$ 154,665	93,351	248,016
Receivables, net:			
Accounts receivable, net	-	14,229	14,229
Franchise taxes	19,267	-	19,267
Property taxes	1,022	-	1,022
Taxes on insurance premiums	2,476	-	2,476
Internal	25,041	-	25,041
Prepaid expenses	3,503	-	3,503
Total current assets	205,974	107,580	313,554
Capital assets:			
Land	49,200	-	49,200
Capital assets, net	56,522	820,486	877,008
Total capital assets	105,722	820,486	926,208
 Total assets	 \$ 311,696	 928,066	 1,239,762
<u>Liabilities and Net Position</u>			
Liabilities:			
Accounts payable	\$ 27,600	4,114	31,714
Payroll liabilities	11,435	-	11,435
Due to unclaimed property	1,634	-	1,634
Deferred revenues	139,400	-	139,400
Internal	-	25,041	25,041
Long-term liabilities:			
Due within one year	45,000	-	45,000
Due in more than one year	63,395	-	63,395
Total liabilities	288,464	29,155	317,619
 Net Position:			
Net investment in capital assets	105,722	820,486	926,208
Unrestricted	(82,490)	78,425	(4,065)
Total net position	23,232	898,911	922,143
 Total liabilities and net position	 \$ 311,696	 928,066	 1,239,762

See accompanying notes to the financial statements.

TOWN OF KILLIAN, LOUISIANA

Statement of Activities

For the Year Ended June 30, 2024

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 161,305	-	6,650	-	(154,655)	-	(154,655)
Police department	160,933	15,621	3,600	-	(141,712)	-	(141,712)
Street department	5,686	-	-	-	(5,686)	-	(5,686)
Total governmental activities	<u>327,924</u>	<u>15,621</u>	<u>10,250</u>	<u>-</u>	<u>(302,053)</u>	<u>-</u>	<u>(302,053)</u>
Business-type activities:							
Waterworks	<u>183,150</u>	<u>113,981</u>	<u>-</u>	<u>278,501</u>	<u>-</u>	<u>209,332</u>	<u>209,332</u>
Total	<u>\$ 511,074</u>	<u>129,602</u>	<u>10,250</u>	<u>278,501</u>	<u>(302,053)</u>	<u>209,332</u>	<u>(92,721)</u>
		General Revenues:					
					91,039	-	91,039
					112,652	-	112,652
					27,606	-	27,606
					6,845	-	6,845
					15,421	-	15,421
					<u>253,563</u>	<u>-</u>	<u>253,563</u>
					(48,490)	209,332	160,842
					<u>71,722</u>	<u>689,579</u>	<u>761,301</u>
					<u>\$ 23,232</u>	<u>898,911</u>	<u>922,143</u>

See accompanying notes to the financial statements.

TOWN OF KILLIAN, LOUISIANA

Governmental Fund

Balance Sheet

June 30, 2024

		<u>General Fund</u>
<u>Assets</u>		
Cash	\$	154,665
Receivables, net:		
Franchise taxes		19,267
Property taxes		1,022
Taxes on insurance premiums		2,476
Due from waterworks fund		25,041
Prepaid expenses		<u>3,503</u>
 Total assets		 \$ <u><u>205,974</u></u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$	27,600
Payroll liabilities		11,435
Due to unclaimed property		1,634
Deferred revenues		<u>139,400</u>
 Total liabilities		 180,069
Fund Balance:		
Unassigned		<u>25,905</u>
 Total liabilities and fund balance		 \$ <u><u>205,974</u></u>

See accompanying notes to the financial statements.

TOWN OF KILLIAN, LOUISIANA

**Reconciliation of the Governmental Fund Balance Sheet
to the Government-Wide Statement of Net Position**

June 30, 2024

Total Governmental Fund Balance	\$	25,905
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 funds.		105,722
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		<u>(108,395)</u>
Total Net Position of Governmental Activities	\$	<u><u>23,232</u></u>

See accompanying notes to the financial statements.

TOWN OF KILLIAN, LOUISIANA

Governmental Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

For the Year Ended June 30, 2024

	General Fund
Revenues:	
Taxes:	
Property taxes	\$ 91,039
Franchise taxes	112,652
License, permits, and fees	6,845
Taxes on insurance premiums	27,606
Intergovernmental	3,600
Fines and forfeitures	15,621
Miscellaneous	15,421
Grants	6,650
	<hr/>
Total revenues	279,434
	<hr/>
Expenditures:	
General government	155,926
Police department	152,409
Streets department	5,686
Debt service - principal	15,000
	<hr/>
Total expenditures	329,021
	<hr/>
Deficiency of revenues over expenditures	(49,587)
	<hr/>
Net change in fund balance	(49,587)
	<hr/>
Fund balance, beginning of period	75,492
	<hr/>
Fund balance, end of period	\$ 25,905
	<hr/> <hr/>

See accompanying notes to the financial statements.

TOWN OF KILLIAN, LOUISIANA

Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance to the Government-Wide Statement of Activities

For the Year Ended June 30 , 2024

Net change in fund balance - governmental fund	\$	(49,587)
 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 capitalized and depreciated and / or amortized when applicable. This is the amount by which depreciation and amortization exceeded capital outlays		(13,903)
 Payment of debt principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position		15,000
		<hr/>
Change in net position of governmental activities	\$	<u>(48,490)</u>

See accompanying notes to the financial statements.

TOWN OF KILLIAN, LOUISIANA

Proprietary Fund

Statement of Net Position

June 30, 2024

		<u>Waterworks Fund</u>
<u>Assets</u>		
Cash	\$ 93,351	
Accounts receivable, net	<u>14,229</u>	
Total current assets		107,580
Capital assets, net		<u>820,486</u>
Total assets		\$ <u>928,066</u>
<u>Liabilities and Net Position</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ 4,114	
Due to general fund	<u>25,041</u>	
Total liabilities		29,155
Net Position:		
Net investment in capital assets	820,486	
Unrestricted	<u>78,425</u>	
Total net position		<u>898,911</u>
Total liabilities and net position		\$ <u>928,066</u>

See accompanying notes to the financial statements.

TOWN OF KILLIAN, LOUISIANA

Proprietary Fund

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2024

	<u>Waterworks Fund</u>	
Operating revenues:		
Water sales	\$ 107,916	
Safe drinking water fees	4,065	
Connection fees	750	
Other	1,250	
Total revenues		<u>113,981</u>
Operating expenses:		
Contract labor	37,525	
Repairs and maintenance	30,393	
Salaries and benefits	18,990	
Chlorine	14,386	
Insurance	3,102	
Legal and professional	4,457	
Miscellaneous	1,880	
Safe drinking water fees	3,779	
Office expense	4,775	
Utilities	7,912	
Depreciation	55,951	
Total expenses		<u>183,150</u>
Operating loss		(69,169)
Nonoperating revenues and expenses:		
Capital grants	278,501	
Total nonoperating revenues and expenses		<u>278,501</u>
Increase in net position		209,332
Net position, beginning of period		<u>689,579</u>
Net position, end of period		<u>\$ 898,911</u>

See accompanying notes to the financial statements.

TOWN OF KILLIAN, LOUISIANA

Proprietary Fund

Statement of Cash Flows

For the Year Ended June 30, 2024

	<u>Waterworks</u> <u>Fund</u>	
Cash flows from operating activities:		
Received from customers	\$ 110,103	
Payments to suppliers	(126,344)	
Payments to employees	<u>(18,990)</u>	
Net cash used by operating activities		(35,231)
Cash flows from capital and related financing activities:		
Purchases of capital assets	(326,322)	
Proceeds from capital grants	278,501	
Net change in due to / from general fund	<u>37,581</u>	
Net cash used by capital and related financing activities		<u>(10,240)</u>
Net decrease in cash		(45,471)
Cash at beginning of year		<u>138,822</u>
Cash at end of year		\$ <u>93,351</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (69,169)	
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	55,951	
Increase in receivables	(3,878)	
Decrease in accounts payable	<u>(18,135)</u>	
Net cash used by operating activities		\$ <u>(35,231)</u>

See accompanying notes to the financial statements.

TOWN OF KILLIAN, LOUISIANA

Notes to the Financial Statements

June 30, 2024

(1) Introduction

The Town of Killian, Louisiana (the Town) was incorporated as a village in 1968 under the provisions of the "Lawrason Act" Louisiana Revised Statutes (R.S.) 33.321-481 of the Constitution of the State of Louisiana. By Proclamation No. 67 MJF 2001, issued by the State, the Village became a town on November 16, 2001. The Town is located in the Parish of Livingston with a geographic area of approximately 11.15 square miles and a population of approximately 1,300.

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

The Mayor and five Alderman are elected at large to serve four-year terms from July 1, 2021 to June 30, 2025. The Town employs 2 full-time and 1 part-time employees. The Town serves 341 water customers. The accounting and reporting policies of the Town of Killian conform with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the Louisiana Governmental Audit Guide and to the industry audit guide, Audits of State and Local Governmental Units.

The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements, and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999. Management has elected to not present the Management's Discussion and Analysis.

(2) Summary of Significant Accounting Policies

(a) Financial Reporting Entity

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

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

1. The organization is legally separate (can sue and be sued in their own name), incur its own debt, levy its own taxes and charges, expropriate property in its own name, and the right to buy, sell and lease property.

TOWN OF KILLIAN, LOUISIANA

Notes to the Financial Statements

June 30, 2024

2. The Town appoints a voting majority of the organization's board.
3. Fiscal interdependency between the Town and potential component units
4. Imposition of will by the Town on the potential component unit and
5. The organization has the potential to impose a financial benefit/burden on the Town.

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

(b) Government-Wide and Fund Financial Statements

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

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

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

(c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available

TOWN OF KILLIAN, LOUISIANA

Notes to the Financial Statements

June 30, 2024

when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The Town reports the following major governmental fund:

General Fund:

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

The Town reports the following major proprietary fund:

Water Works Fund:

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are user fees. Operating expenses for

TOWN OF KILLIAN, LOUISIANA

Notes to the Financial Statements

June 30, 2024

the proprietary fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(d) Deposits

Cash includes cash on hand and amounts in demand deposit accounts. Cash equivalents include amounts with original maturities of ninety days or less. Under state law, the Town may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The Town did not have any cash equivalents at June 30, 2024.

(e) Receivables

Receivables are shown net of an allowance for uncollectible accounts. Uncollectible amounts due from water customers are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectability of the particular accounts. Uncollectible amounts for property taxes are recorded as a reduction of current revenues.

(f) Interfund Receivables/Payables

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

(g) Capital Assets

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

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

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

Buildings	10 - 40 years
Water system	20 - 30 years
Land improvements	20 years

TOWN OF KILLIAN, LOUISIANA

Notes to the Financial Statements

June 30, 2024

Equipment	10 - 30 years
Office equipment	3 - 5 years
Police vehicles	3 - 5 years
Police equipment	5 years

Maintenance, repairs, and minor equipment purchases are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings or equipment, the cost and related accumulated depreciation, if applicable, is eliminated from the respective accounts and any resulting gain or loss is included in the results of operations. Lease assets are capital assets that are recorded as right-to-use assets and amortized over the life of the associated contract using the straight-line method

(h) Compensated Absences

Employees of the Town earn from ten to fifteen days of vacation leave each year, depending on length of service. Vacation leave must be used in the year earned. Sick leave is earned at the rate of 8 hours for each month worked. No employees may accumulate more than eighty hours of sick leave per year nor accumulate more than two hundred forty hours of sick leave overall. Sick leave is forfeited upon resignation, retirement, or dismissal from employment.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the governmental fund when leave is actually taken. There are no accumulated and vested benefits relating to vacation or sick leave at June 30, 2024.

(i) Long-Term Obligations

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

(j) Restricted Net Position

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

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

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

TOWN OF KILLIAN, LOUISIANA

Notes to the Financial Statements

June 30, 2024

(k) Fund Equity and Net Position

In accordance with GASB Statement No. 34, *Basic Financial Statements, and Management's Discussion and Analysis-for State and Local Governments*, as amended, net position is classified into three components: net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

1. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "Net investment in capital assets."

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

The Town has adopted the provisions of GASB Statement No. 54 *Fund Balance Reporting and Government Fund Type Definitions*, which changed the reporting of fund balance in the balance sheets of governmental fund types. In fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy primarily on the extent to which the district is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - nonspendable, restricted, committed, assigned and unassigned.

- *Nonspendable* – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The Town did not have any nonspendable fund balance at June 30, 2024.
- *Restricted* – This classification includes amounts in which the use of resources is constrained either by (a) external impositions by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposition by law through constitutional provisions or enabling legislation. The Town did not have any restricted fund balance at June 30, 2024.
- *Committed* – This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by the Board of Aldermen. These amounts cannot be used for any other purpose unless the Board of Aldermen removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual

TOWN OF KILLIAN, LOUISIANA

Notes to the Financial Statements

June 30, 2024

obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town did not have any committed resources as of June 30, 2024.

- *Assigned* – This classification includes spendable amounts that are reported in governmental fund other than the General Fund, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by the Board of Aldermen who has the authority to assign amounts to be used for specific purposes. The Town did not have any assigned resources as of June 30, 2024.
- *Unassigned* – This classification is the residual fund balance for the General Fund. It also represents a fund balance that has been assigned to other funds and that has not been restricted, committed, or assigned to a specific purpose within the General Fund. The Town's General Fund balance at June 30, 2024.

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

(l) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

(m) Interfund Transactions

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

(n) Elimination and Reclassifications

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

TOWN OF KILLIAN, LOUISIANA

Notes to the Financial Statements

June 30, 2024

(o) Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 of each year. Taxes were levied by the Town in October and billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of Livingston Parish.

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

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

(3) Stewardship, Compliance, and Accountability

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

The budget was adopted on December 12, 2023.

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

(4) Cash

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana or any other federally insured investment.

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

Cash and deposits are categorized into three categories of credit risk.

TOWN OF KILLIAN, LOUISIANA

Notes to the Financial Statements

June 30, 2024

Category 1 includes deposits covered by federal depository insurance or by collateral held by the District or its agent in the District's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department or its agent in the District's name.

Category 3 includes deposits covered by collateral held by the pledging financial institution or its trust department or agent but not in the District's name and deposits which are uninsured and collateralized.

The year end balances of deposits are as follows:

	Bank Balances Category			Book Balance
	1	2	3	
Demand deposits	\$ 258,402	-	-	248,016

(5) Receivables

The Waterworks Fund accounts receivable of \$14,229 at June 30, 2024, consist of the following:

Water receivables	\$ 17,322
Allowance for bad debts	(3,093)
Total	\$ 14,229

(6) Property Taxes

For the year ended June 30, 2024, taxes of 7.79 mills were levied on property with assessed valuations totaling \$12,505,630. Total taxes levied were \$97,419.

(7) Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2024 for governmental activities is as follows:

	<u>Balance July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2024</u>
<u>Governmental Activities Capital Assets:</u>				
Capital assets, not being depreciated:				
Land	\$ 49,200	-	-	49,200
Total capital assets not being depreciated	49,200	-	-	49,200
Capital assets, being depreciated:				
Buildings	84,553	-	-	84,553

TOWN OF KILLIAN, LOUISIANA

Notes to the Financial Statements

June 30, 2024

Land improvements	26,000	-	-	26,000
Equipment	75,238	-	-	75,238
Police vehicles	140,611	7,759	-	148,370
Police equipment	73,613	-	-	73,613
Office equipment	16,841	-	-	16,841
Total capital assets being depreciated	416,856	7,759	-	424,615

Less accumulated depreciation for:

Buildings	(61,084)	(2,384)	-	(63,468)
Land improvements	(9,100)	(1,300)	-	(10,400)
Equipment	(73,543)	(1,695)	-	(75,238)
Police vehicles	(115,096)	(13,994)	-	(129,090)
Police equipment	(70,768)	(2,289)	-	(73,057)
Office equipment	(16,840)	-	-	(16,840)
Total accumulated depreciation	(346,431)	(21,662)	-	(368,093)

Total capital assets being depreciated, net	70,425	(13,903)	-	56,522
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Total Governmental Activities capital assets, net	\$ 119,625	(13,903)	-	105,722
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Depreciation expense was charged to the following activities:

General government		\$ 5,379	
Police department		16,283	
Total		\$ 21,662	

Capital assets and depreciation activity as of and for the year ended June 30, 2024 for business-type activities is as follows:

	Balance July 1, <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2024</u>
<u>Business-Type Activities Capital Assets:</u>				
Capital assets, being depreciated:				
Water system	\$ 1,380,931	285,970	-	1,666,901
Machinery and equipment	24,001	40,352	-	64,353
Office equipment	1,058	-	-	1,058
Total capital assets being depreciated	1,405,990	326,322	-	1,732,312
Less accumulated depreciation for:				
Water system	(832,000)	(54,455)	-	(886,455)
Machinery and equipment	(22,817)	(1,496)	-	(24,313)
Office equipment	(1,058)	-	-	(1,058)

TOWN OF KILLIAN, LOUISIANA

Notes to the Financial Statements

June 30, 2024

Total accumulated depreciation	(855,875)	(55,951)	-	(911,826)
Total capital assets being depreciated, net	550,115	270,371	-	820,486
Total Business-Type Activities capital assets, net	\$ 550,115	270,371	-	820,486

Depreciation expense of \$55,951 was charged to the business-type activity.

(8) Interfund Receivables and Payables

Balances due to/from other funds at June 30, 2024 consists of the following to subsidize operations:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 25,041	-
Waterworks Fund	-	25,041
Total	\$ 25,041	25,041

(9) Repayment Agreement with Livingston Parish Council

On September 5, 2021, the Town entered into Cooperative Endeavor Agreement with the Parish of Livingston. The Town agreed to engage the Parish, through their contractor, to provide debris removal services. The Town is to pay the Parish upon the successful removal of all debris their cost as calculated by the contract. The total cost for debris removal services to the Town of Killian was \$138,395.

As a result of the cost, the Town passed a resolution on June 14, 2022, to enter into a repayment agreement with the Parish of Livingston. The Town agreed to make payments of \$2,000 per month until the balance has been paid in full. During the year ended June 30, 2024, the Town made payments totaling \$15,000 toward this repayment agreement. At June 30, 2024, the Town owes the Parish of Livingston \$108,395.

The following is a schedule by years of the future minimum payments to the Parish:

<u>Year Ending June 30,</u>		
2025	\$	45,000
2026		24,000
2027		24,000
2028		15,395
Total	\$	108,395

TOWN OF KILLIAN, LOUISIANA

Notes to the Financial Statements

June 30, 2024

(10) Risk Management

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

(11) Litigation

The Town is a defendant in various lawsuits including one with Municipal Police Employees Retirement System regarding whether the Town exempted itself from participation in the retirement system in the 1970's (see Note 13 for further discussion). Although the outcome of this lawsuit is not presently determinable, it is the opinion of the Town's attorney that resolution of this matter will not have a material adverse effect on the financial condition of the Town.

The Town is involved in litigation with H&H Projects, LLC (H&H), who asserts that it performed certain services under a water system contract between itself and the Town, for which it has not been compensated, and that the Town's failure to pay constitutes a breach of contract. In its petition, H&H has sought damages including the invoice amount of \$120,339, interest from the date payment was allegedly due, and reasonable attorney fees. In the opinion of the Town's attorney, the outcome of this lawsuit is not presently determinable.

(12) Subsequent Events

The Town evaluated subsequent events through October 22, 2025, the date which the financial statements were available to be issued.

The Town is currently negotiating the sale of the Town's water system to Magnolia Water Utility Operating Company (the Company). The Company currently operates multiple water and wastewater systems in the Southern United States. This would allow the Company to integrate the Town's water system efficiently and ensure compliance with state and federal regulations.

The Town is currently in negotiations with the Municipal Police Employees Retirement System (MPERS) regarding MPERS' assertion that the Town is not in compliance with state law that requires municipalities to enroll their police officers in the retirement system. The potential settlement parameters include payments from the Town which could be used as credit for officers purchasing service in MPERS or towards partial dissolution, the amounts of which cannot be reasonably estimated at this time.

TOWN OF KILLIAN, LOUISIANA

**Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund**

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
Revenues:				
Taxes				
Property taxes	\$ 113,200	113,200	91,039	(22,161)
Franchise taxes	110,200	110,200	112,652	2,452
Licenses, permits, and fees	4,400	4,400	6,845	2,445
Taxes on insurance premiums	25,300	25,300	27,606	2,306
Intergovernmental	3,600	3,600	3,600	-
Fines and forfeitures	50,000	50,000	15,621	(34,379)
Miscellaneous	500	500	15,421	14,921
Grants	2,500	2,500	6,650	4,150
Total revenues	309,700	309,700	279,434	(30,266)
Expenditures:				
General government	135,980	135,980	155,926	(19,946)
Police department	141,900	141,900	152,409	(10,509)
Streets department	2,000	2,000	5,686	(3,686)
Debt service - principal	24,000	24,000	15,000	9,000
Total expenditures	303,880	303,880	329,021	(25,141)
Excess of revenues over expenditures	5,820	5,820	(49,587)	(55,407)
Net change in fund balance	5,820	5,820	(49,587)	(55,407)
Fund balance, beginning of year	161,595	64,009	75,492	
Fund balance, end of year	\$ 167,415	69,829	25,905	

TOWN OF KILLIAN, 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</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
General Government:				
Advertising and printing	\$ 2,500	2,500	2,394	106
Assessor's fees	1,200	1,200	1,229	(29)
Bank charges	100	100	107	(7)
Building and ground maintenance	4,020	4,020	7,552	(3,532)
Capital outlays	-	-	1,655	(1,655)
Computer programs and software	3,600	3,600	5,686	(2,086)
Copier rental	1,700	1,700	3,532	(1,832)
Coroner's office	100	100	100	-
Dues and subscriptions	3,500	3,500	1,259	2,241
Election expense	-	-	43	(43)
Insurance	8,400	8,400	16,065	(7,665)
IT services	2,400	2,400	1,563	837
Janitorial expense	1,500	1,500	1,650	(150)
Legal and professional	28,600	28,600	46,781	(18,181)
Miscellaneous	400	400	3,417	(3,017)
Office supplies	4,100	4,100	2,508	1,592
Payroll taxes	3,800	3,800	6,187	(2,387)
Permit fees	100	100	50	50
Postage	1,900	1,900	2,931	(1,031)
Property tax collection fees			561	(561)
Refunds			416	(416)
Repairs and maintenance	5,700	5,700	-	5,700
Salaries	50,960	50,960	34,387	16,573
Telephone	1,500	1,500	7,305	(5,805)
Training, workshops, and seminars	1,000	1,000	495	505
Travel	400	400	-	400
Unemployment	100	100	59	41
Uniforms	1,200	1,200	579	621
Utilities	7,000	7,000	7,415	(415)
Worker's compensation	200	200	-	200
Total general government expenditures	\$ 135,980	135,980	155,926	(19,946)

TOWN OF KILLIAN, 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</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
Police Department:				
Auto fuel	\$ 13,800	13,800	14,448	(648)
Collection fees	900	900	1,188	(288)
Computers	-	-	5,992	(5,992)
Dues and subscriptions	500	500	150	350
Employee testing	1,400	1,400	373	1,027
Equipment	1,700	1,700	3,452	(1,752)
Insurance	12,000	12,000	2,743	9,257
Law enforcement fees	3,000	3,000	705	2,295
Legal and professional	-	-	3,450	(3,450)
Miscellaneous	700	700	1,806	(1,106)
Office supplies	300	300	825	(525)
Payroll taxes	6,000	6,000	8,476	(2,476)
Repairs and maintenance	3,200	3,200	12,125	(8,925)
Salaries	78,000	78,000	88,191	(10,191)
Supplies	6,400	6,400	3,183	3,217
Telephone and utilities	6,300	6,300	3,468	2,832
Training	1,300	1,300	315	985
Travel	700	700	-	700
Uniforms	600	600	1,519	(919)
Web page	1,100	1,100	-	1,100
Workers compensation	4,000	4,000	-	4,000
Total police department expenditures	\$ 141,900	141,900	152,409	(10,509)

TOWN OF KILLIAN, LOUISIANA

Schedule of Compensation, Benefits, and Other Payments to Agency Head

For the Year Ended June 30, 2024

Agency Head Name: Ronald Sharp

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Reimbursements	<u>394</u>
	<u>\$ 394</u>

TOWN OF KILLIAN, LOUISIANA

Schedule of Compensation Paid to Board Members

For the Year Ended June 30, 2024

<u>Board Member</u>	<u>Term Expires</u>	<u>Amount</u>
Brian Binkley	June 30, 2025	\$ -
Kimberly Gill	June 30, 2025	-
John Henry	June 30, 2025	-
Brent Ballard	June 30, 2024	-
Lyndon Hendley	June 30, 2025	-
		<hr/>
		\$ <u><u>-</u></u>

TOWN OF KILLIAN, LOUISIANA

**Justice System Funding Schedule - Collecting / Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session**

June 30, 2024

Cash Basis Presentation:	First Six Month Period Ended December 31, 2023	Second Six Month Period Ended June 30, 2024
Beginning balance of amounts collected (i.e. cash on hand)	\$ -	-
Add: Collections		
Civil fees	-	-
Bond fees	-	-
Asset forfeiture / sale	-	-
Pre-trial diversion program fees	-	-
Criminal court costs / fees	-	-
Criminal fines - contempt	-	-
Criminal fines - other	4,513	11,082
Restitution	-	-
Probation / parole supervision fees	-	-
Service / collection fees	-	-
Interest earnings on collected balances	-	-
Other	-	-
	<u>4,513</u>	<u>11,082</u>
Subtotal collections	<u>4,513</u>	<u>11,082</u>
Less: Disbursements to Governments and Non-Profits		
Treasury State of Louisiana CMIS	57	21
DHH Traumatic Head and Spinal Cord Injury Trust	-	-
Judicial Administration, Supreme Court	-	25
Louisiana Commission on Law Enforcement	1,367	853
Less: Amounts Retained by Collecting Agency		
Collection fee for collecting / disbursing to others - %	-	-
Collection fee for collecting / disbursing to others - fixed fee	-	-
Amounts "self-disbursed" to collecting agency - other	3,089	10,183
Less: Disbursements to Individuals / 3rd Party Collection or Processing Agencies		
Civil fee refunds	-	-
Bond fee refunds	-	-
Restitution payments to individuals	-	-
Other disbursements to individuals	-	-
Payments to 3rd party collection / processing agencies	-	-
	<u>-</u>	<u>-</u>
Subtotal disbursements / retainage	<u>4,513</u>	<u>11,082</u>
Ending balance of amounts collected but no disbursed / retained (i.e. cash on hand)	\$ -	-



Stephen M. Griffin, CPA
Robert J. Furman, CPA

Howard P. Vollenweider, CPA
Jessica S. Benjamin
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Michael J. Caparotta, CPA

Michael R. Choate, CPA

American Society of Certified Public Accountants
Society of Louisiana CPAs

**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***

**Board of Commissioners
Town of Killian
Killian, Louisiana**

We have audited, 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, the financial statements of the governmental activities, the business-type activities, and the General Fund of the Town of Killian, Louisiana (the Town), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated October 22, 2025.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal controls that we consider to be material weaknesses and significant deficiencies.

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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 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. We consider the deficiency described in the accompanying schedule of findings as item 2024-1 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings as items 2024-2, 2024-3, 2024-4, and 2024-5 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2024-6, 2024-7 and 2024-8.

The Town’s Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town’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 Town’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Griffin & Furman, LLC

October 22, 2025

Covington, Louisiana

TOWN OF KILLIAN, LOUISIANA

Schedule of Findings

For the Year Ended June 30, 2024

Summary of Auditor's Results:

- 1. Type of Audit Report Issued – Qualified (Governmental Activities and General Fund); Unmodified (Business-Type Activities)**
- 2. Internal Control Over Financial Reporting**
 - a. Significant Deficiencies – Yes (2024-2 through 2024-5)**
 - b. Material Weaknesses – Yes (2024-1)**
- 3. Compliance and Other Matters – Yes (2024-6 through 2024-8)**
- 4. Management Letter – No**

Finding 2024-1 – Lack of Supporting Documentation for Expenses

Criteria:

Expenses should be supported by appropriate documentation to ensure proper accountability and compliance with applicable laws and regulations.

Condition:

Several disbursements lacked adequate supporting documentation to substantiate the nature and purpose of the transactions.

Cause:

Internal controls are not in place to over document retention and review processes.

Effect:

There is an increased risk of inaccurate financial reporting as well as misuse of public funds or noncompliance with statutory requirements.

Recommendation:

Procedures should be implemented to ensure all expense transactions are accompanied by complete and accurate supporting documentation prior to approval and payment.

Finding 2024-2 - Inadequate Segregation of Duties

Criteria:

Effective internal controls are key to mitigating risk of fraud in cash disbursements and financial reporting cycles.

Condition:

There was not enough personnel to adequately segregate the accounting duties.

Cause:

Internal controls are not in place to adequately segregate accounting functions.

TOWN OF KILLIAN, LOUISIANA

Schedule of Findings

For the Year Ended June 30, 2024

Effect:

A lack of segregation of duties does not provide effective internal controls to mitigate the risk of potential fraud and/or misappropriation of public funds.

Recommendation:

Procedures should be implemented to ensure overlapping duties are separated, and there are proper approvals, review and oversight over the Town's accounting functions.

Finding 2024-3 - Lack of Internal Controls over Capital Assets

Criteria:

Adequate controls should exist for the recording, tagging, and safeguarding of capital assets, including conducting physical inventories.

Condition:

The Town does not tag its inventory with tag/sticker showing the Town's name.

Cause:

There were not any tagging of inventory or controls over capital assets.

Effect:

The Town can not effectively track and monitor its' capital assets.

Recommendation:

The Town should implement procedures to ensure all capital assets are tagged with the Town's name and physical inventories should be performed.

Finding 2024-4 - Lack of Internal Controls over Traffic Tickets

Criteria:

Adequate controls should exist for storing, issuing, and accounting for traffic tickets/citations.

Condition:

There are missing traffic ticket/citations and/or supporting documentation for payments.

Cause:

The Town maintains a log; however, there were no procedures implemented to ensure all ticket books are accounted for numerically and reconciled to the citations returned by the officer.

Effect:

There is inadequate recording keeping and accounting for traffic tickets.

Recommendation:

We recommend procedures be put in place to ensure the supply of ticket books be issued only when police officers return previously issued tickets as issued citations and that proper record keeping is maintained.

TOWN OF KILLIAN, LOUISIANA

Schedule of Findings

For the Year Ended June 30, 2024

Finding 2024-5 - Lack of Internal Controls over Justice System Funding Collections and Payments

Criteria:

Adequate controls should exist for tracking justice system related amounts collected with traffic fines as well as the subsequent remittance of these amounts to the appropriate agencies.

Condition:

Sufficient records were not available to accurately determine justice system related amounts that had been collected and remitted during the year ended June 30, 2024.

Cause:

Several payments made during the period did not indicate what period to which the payments pertained. Additionally, there were many months in the period for which it appeared no payment had been remitted.

Effect:

The Town likely has funds that are due to various agencies at June 30, 2024 but those amounts could not accurately be determined. As a result, the Justice System Funding Schedule accompanying the financial statements is not entirely accurate.

Recommendation:

We recommend procedures be put in place to ensure amounts collected through traffic fines are accurately tracked and remitted to the appropriate agencies.

Finding 2024-6 - Financial Statements

Criteria:

R.S. requires financial statements to be submitted within six months of the close of the fiscal year.

Condition:

The Town did not comply with the revised statute that requires financial statements to be filed with the Louisiana Legislative Auditor's office within six months of the close the fiscal year.

Cause:

The Town did not timely contract a CPA to perform the audit.

Effect:

The Town requested a non-emergency extension since the financial statements were not submitted timely.

Recommendation:

The Town should engage an auditor near the close of the fiscal year end to ensure financial statements can be submitted timely.

TOWN OF KILLIAN, LOUISIANA

Schedule of Findings

For the Year Ended June 30, 2024

Finding 2024-7 – Local Government Budget Act

Criteria:

The Local Government Budget Act provides that the governing authority amend the budget whenever there is a 5% or greater unfavorable variance in revenues or expenditures.

Condition:

The Town did not comply with the provisions of the Local Government Budget Act.

Cause:

The Town failed to amend its General Fund budget when both revenues and expenditures exceeded the 5% threshold.

Effect:

The Town was not in compliance with the Local Government Budget Act.

Recommendation:

The Town should monitor its budget to actual revenues and expenditures on a monthly basis and amend the budget as to be in compliance with state statutes as necessary.

Finding 2024-8 – Ethics

Criteria:

Louisiana Code of Governmental Ethics prohibits public servants from participating in transactions involving immediate family members where a substantial economic interest exists.

Condition:

The Town purchased tires from a business owned by the mayor's son without evidence of competitive bidding or documentation of conflict-of-interest disclosure.

Cause:

The Town lacked adequate controls to identify and manage conflicts of interest in procurement.

Effect:

The Town is exposed to potential legal and ethical violations and the situation creates the appearance of favoritism and undermines public confidence in the integrity of the Town's processes.

Recommendation:

The Town should implement policies and procedures to ensure compliance with the Louisiana Code of Governmental Ethics.

TOWN OF KILLIAN, LOUISIANA

Status of Prior Year Findings

For the Year Ended June 30, 2024

Finding 2023-1 - Inadequate Segregation of Duties

Criteria:

Effective internal controls are key to mitigating risk of fraud in cash disbursements and financial reporting cycles.

Condition:

There was not enough personnel to adequately segregate the accounting duties.

Cause:

Internal controls are not in place to adequately segregate accounting functions.

Effect:

A lack of segregation of duties does not provide effective internal controls to mitigate the risk of potential fraud and/or misappropriation of public funds.

Recommendation:

Procedures should be implemented to ensure overlapping duties are separated, and there are proper approvals, review and oversight over the Town's accounting functions.

Views of Responsible Official:

An outside CPA firm has been hired to assist in accounting functions. The Board will also provide oversight as deemed necessary to ensure duties are segregated to the extent possible.

Status:

Unresolved. Due to the prior review being completed in April 2025, there was not sufficient time to properly implement the corrective action.

Finding 2023-2 – Lack of Internal Controls over Utility Billings

Criteria:

Adequate controls should exist to ensure that all water customers are billed monthly.

Condition:

The Town did not regularly process bills for the System's customers.

Cause:

Inadequate oversight of the water billing process.

Effect:

The Town did not always bill all water revenues that should have been billed to the System's customers.

Recommendation:

The Town should implement procedures to ensure billing processes are followed monthly.

TOWN OF KILLIAN, LOUISIANA

Status of Prior Year Findings

For the Year Ended June 30, 2024

Views of Responsible Official:

We will implement procedures to ensure capital assets are tagged and physical inventories are performed at least annually.

Status:

Unresolved. Due to the prior review being completed in April 2025, there was not sufficient time to properly implement the corrective action.

Finding 2023-3 - Lack of Internal Controls over Capital Assets

Criteria:

Adequate controls should exist for the recording, tagging, and safeguarding of capital assets, including conducting physical inventories.

Condition:

The Town does not tag its inventory with tag/sticker showing the Town's name.

Cause:

There were not any tagging of inventory or controls over capital assets.

Effect:

The Town cannot effectively track and monitor its' capital assets.

Recommendation:

The Town should implement procedures to ensure all capital assets are tagged with the Town's name and physical inventories should be performed.

Views of Responsible Official:

We have initiated a plan for the chief and assistant chief of police to tag, record and safeguard capital assets and physical inventories this week.

Status:

Unresolved. Due to the prior review being completed in April 2025, there was not sufficient time to properly implement the corrective action.

Finding 2023-4 - Lack of Internal Controls over Traffic Tickets

Criteria:

Adequate controls should exist for storing, issuing, and accounting for traffic tickets/citations.

Condition:

There are missing traffic ticket/citations and/or supporting documentation for payments.

Cause:

The Town maintains a log; however, there were no procedures implemented to ensure all ticket books are accounted for numerically and reconciled to the citations returned by the officer.

TOWN OF KILLIAN, LOUISIANA

Status of Prior Year Findings

For the Year Ended June 30, 2024

Effect:

There is inadequate recording keeping and accounting for traffic tickets.

Recommendation:

We recommend procedures be put in place to ensure the supply of ticket books be issued only when police officers return previously issued tickets as issued citations and that proper record keeping is maintained.

Views of Responsible Official:

We will initiate a plan for the clerk to have a better filing system for traffic tickets and apply procedures to ensure that the accounting and ensure log books are accurate and in order.

Status:

Unresolved. Due to the prior review being completed in April 2025, there was not sufficient time to properly implement the corrective action.

Finding 2023-5 - Lack of Internal Controls over Justice System Funding Collections and Payments

Criteria:

Adequate controls should exist for tracking justice system related amounts collected with traffic fines as well as the subsequent remittance of these amounts to the appropriate agencies.

Condition:

Sufficient records were not available to accurately determine justice system related amounts that had been collected and remitted during the year ended June 30, 2024.

Cause:

Several payments made during the period did not indicate what period to which the payments pertained. Additionally, there were many months in the period for which it appeared no payment had been remitted.

Effect:

The Town likely has funds that are due to various agencies at June 30, 2024 but those amounts could not accurately be determined. As a result, the Justice System Funding Schedule accompanying the financial statements is not entirely accurate.

Recommendation:

We recommend procedures be put in place to ensure amounts collected through traffic fines are accurately tracked and remitted to the appropriate agencies.

Views of Responsible Official:

We will initiate a plan for the clerk to apply a procedure that makes sure that all forms and payments will be sent to appropriate agencies each month.

Status:

Unresolved. Due to the prior review being completed in April 2025, there was not sufficient time to properly implement the corrective action.

TOWN OF KILLIAN, LOUISIANA

Status of Prior Year Findings

For the Year Ended June 30, 2024

Finding 2023-6 - Financial Statements

Criteria:

R.S. requires financial statements to be submitted within six months of the close of the fiscal year.

Condition:

The Town did not comply with the revised statute that requires financial statements to be filed with the Louisiana Legislative Auditor's office within six months of the close the fiscal year.

Cause:

The Town did not timely contract a CPA to perform the audit.

Effect:

The Town requested a non-emergency extension since the financial statements were not submitted timely.

Recommendation:

The Town should engage an auditor near the close of the fiscal year end to ensure financial statements can be submitted timely.

Views of Responsible Official:

We will initiate a plan that will ensure that our budget be passed in a timely manner each year so that our audit and review will be submitted on time to the Louisiana's Auditors office.

Status:

Unresolved. Due to the prior review being completed in April 2025, there was not sufficient time to properly implement the corrective action.

MAYOR
Caleb Atwell

TOWN OF KILLIAN
Livingston Parish, Louisiana
P.O. Box 546, Springfield, LA 70462
28284 Hwy. 22, Killian, LA 70462
225-522-6785
killiantownhall@eatel.net

ALDERMAN
Wesley Bignar
Ronald Sharp Sr.
Trevor Clardy
Nicholas Guthrie
Corey Beasley

October 22, 2025

Griffin & Furman, LLC
205 E. Lockwood St.
Covington, LA 70433

Re: Fiscal Year 2024 Audit Schedule of Findings

Dear Mr. Furman,

In response to the above referenced Schedule of Findings, the Town of Killian, Louisiana acknowledges the findings and agrees to take the following corrective actions.

Finding 2024-1 – Lack of Supporting Documentation for Expenses

Criteria:

Expenses should be supported by appropriate documentation to ensure proper accountability and compliance with applicable laws and regulations.

Condition:

Several disbursements lacked adequate supporting documentation to substantiate the nature and purpose of the transactions.

Cause:

Internal controls are not in place to over document retention and review processes.

Effect:

There is an increased risk of inaccurate financial reporting as well as misuse of public funds or noncompliance with statutory requirements.

Recommendation:

Procedures should be implemented to ensure all expense transactions are accompanied by complete and accurate supporting documentation prior to approval and payment.

Management Corrective Action:

The new Mayor and the new Town Clerks will adopt procedures to ensure all backup for expenditures as well as mayor's approval are properly documented. Additionally, as the town's police department has been suspended effective August 2025 and the administrative Chief of Police will not be issued a debit card we feel that these changes should adequately address this finding. This has already been implemented.

Finding 2024-2 - Inadequate Segregation of Duties

Criteria:

Effective internal controls are key to mitigating risk of fraud in cash disbursements and financial reporting cycles.

Condition:

There was not enough personnel to adequately segregate the accounting duties.

Cause:

Internal controls are not in place to adequately segregate accounting functions.

Effect:

A lack of segregation of duties does not provide effective internal controls to mitigate the risk of potential fraud and/or misappropriation of public funds.

Recommendation:

Procedures should be implemented to ensure overlapping duties are separated, and there are proper approvals, review and oversight over the Town's accounting functions.

Management Corrective Action:

The town has hired two new clerks since this audit period in addition to engaging Phil Hebert and Associates to review towns financials. This has occurred immediately

Finding 2024-3 - Lack of Internal Controls over Capital Assets

Criteria:

Adequate controls should exist for the recording, tagging, and safeguarding of capital assets, including conducting physical inventories.

Condition:

The Town does not tag its inventory with tag/sticker showing the Town's name.

Cause:

There were not any tagging of inventory or controls over capital assets.

Effect:

The Town can not effectively track and monitor its' capital assets.

Recommendation:

The Town should implement procedures to ensure all capital assets are tagged with the Town's name and physical inventories should be performed.

Management Corrective Action:

The clerks will ensure that all capital assets are tagged and physical inventories are performed in conjunction with the administrative chief of police. This will be completed no later than 6/30/2026.

Finding 2024-4 - Lack of Internal Controls over Traffic Tickets

Criteria:

Adequate controls should exist for storing, issuing, and accounting for traffic tickets/citations.

Condition:

There are missing traffic ticket/citations and/or supporting documentation for payments.

Cause:

The Town maintains a log; however, there were no procedures implemented to ensure all ticket books are accounted for numerically and reconciled to the citations returned by the officer.

Effect:

There is inadequate recording keeping and accounting for traffic tickets.

Recommendation:

We recommend procedures be put in place to ensure the supply of ticket books be issued only when police officers return previously issued tickets as issued citations and that proper record keeping is maintained.

Management Corrective Action:

The town has suspended its police department effective August of 2025 and signed a Cooperative Endeavor Agreement with the Livingston Parish Sherriff's Office. This action should resolve this finding. The police department had policies governing traffic tickets but these were not followed by personnel.

Finding 2024-5 - Lack of Internal Controls over Justice System Funding Collections and Payments

Criteria:

Adequate controls should exist for tracking justice system related amounts collected with traffic fines as well as the subsequent remittance of these amounts to the appropriate agencies.

Condition:

Sufficient records were not available to accurately determine justice system related amounts that had been collected and remitted during the year ended June 30, 2024.

Cause:

Several payments made during the period did not indicate what period to which the payments pertained. Additionally, there were many months in the period for which it appeared no payment had been remitted.

Effect:

The Town likely has funds that are due to various agencies at June 30, 2024 but those amounts could not accurately be determined. As a result, the Justice System Funding Schedule accompanying the financial statements is not entirely accurate.

Recommendation:

We recommend procedures be put in place to ensure amounts collected through traffic fines are accurately tracked and remitted to the appropriate agencies.

Management Corrective Action:

The town has suspended its police department effective August of 2025 and signed a Cooperative Endeavor Agreement with the Livingston Parish Sherriff's Office. This action should resolve this finding. Phil Hebert and Associates has agreed to help coordinate training for subsequent years.

Finding 2024-6 - Financial Statements

Criteria:

R.S. requires financial statements to be submitted within six months of the close of the fiscal year.

Condition:

The Town did not comply with the revised statute that requires financial statements to be filed with the Louisiana Legislative Auditor's office within six months of the close the fiscal year.

Cause:

The Town did not timely contract a CPA to perform the audit.

Effect:

The Town requested a non-emergency extension since the financial statements were not submitted timely.

Recommendation:

The Town should engage an auditor near the close of the fiscal year end to ensure financial statements can be submitted timely.

Management Corrective Action:

The new mayor and board will ensure that budgets are passed in a timely manner and the auditor is engaged within 6 months of the close of the fiscal year. We have already engaged Griffin and Furman for FYE 6/30/2025.

Finding 2024-7 – Local Government Budget Act

Criteria:

The Local Government Budget Act provides that the governing authority amend the budget whenever there is a 5% or greater unfavorable variance in revenues or expenditures.

Condition:

The Town did not comply with the provisions of the Local Government Budget Act.

Cause:

The Town failed to amend its General Fund budget when both revenues and expenditures exceeded the 5% threshold.

Effect:

The Town was not in compliance with the Local Government Budget Act.

Recommendation:

The Town should monitor its budget to actual revenues and expenditures on a monthly basis and amend the budget as to be in compliance with state statutes as necessary.

Management Corrective Action:

The new mayor and board will ensure that budgets are passed in a timely manner and the auditor is engaged within 6 months of the close of the fiscal year. Financial discussions will take place at the regularly scheduled board meetings.

Finding 2024-8 – Ethics

Criteria:

Louisiana Code of Governmental Ethics prohibits public servants from participating in transactions involving immediate family members where a substantial economic interest exists.

Condition:

The Town purchased tires from a business owned by the mayor's son without evidence of competitive bidding or documentation of conflict-of-interest disclosure.

Cause:

The Town lacked adequate controls to identify and manage conflicts of interest in procurement.

Effect:

The Town is exposed to potential legal and ethical violations and the situation creates the appearance of favoritism and undermines public confidence in the integrity of the Town's processes.

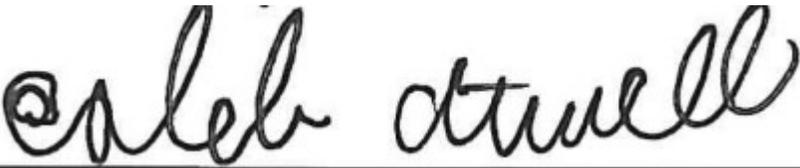
Recommendation:

The Town should implement policies and procedures to ensure compliance with the Louisiana Code of Governmental Ethics.

Management Corrective Action:

The mayor agrees with criteria and will immediately new implement policies and procedures to prevent future occurrences

Sincerely,



***Caleb Atwell
Mayor***



Stephen M. Griffin, CPA
Robert J. Furman, CPA

Howard P. Vollenweider, CPA
Jessica S. Benjamin
Racheal D. Alvey
Michael J. Caparotta, CPA

Michael R. Choate, CPA

American Society of Certified Public Accountants
Society of Louisiana CPAs

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Mayor and Board of Commissioners
Town of Killian
Killian, Louisiana

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

The Town of Killian has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period 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:

Written Policies and Procedures

- A. Obtain and inspect the Town's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the Town's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - 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.

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Phone: (225) 292-7434
Fax: (225) 293-3651

3711 Cypress St. #2
West Monroe, LA 71291
Phone: (318) 397-2472

- iii. **Disbursements**, including processing, reviewing, and approving.
- 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).
- 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.
- 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.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- 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).
- 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 Town's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- 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.
- 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.

Finding: The Town did not have written policies and procedures addressing any of the above areas.

Board or Finance Committee

- 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.

Finding: Procedure performed without exception.

- 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, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the Town's collections during the fiscal period.

Finding: Procedure performed without exception.

- 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.

Finding: 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.

Finding: The board did not receive written updates of the progress of resolving prior year findings.

Bank Reconciliations

- A. Obtain a listing of Town bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the Town's main operating account. Select the Town'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);

Finding: Procedure performed without exception.

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

Finding: *None of the three reconciliations selected for testing included written evidence that the reconciliations were reviewed within one month of the date the reconciliation was prepared.*

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Finding: *Not applicable. There were no reconciling items outstanding for more than twelve months from the statement closing date.*

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).

Finding: *Procedure performed without exception. There is only one deposit site.*

- 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;
- 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;
- 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
- 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/official verifies the reconciliation.

Finding: *For the sole deposit site, there was no evidence that job duties are properly segregated.*

- 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.

Finding: Procedure performed without exception.

- 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). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - 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).
 - v. Trace the actual deposit per the bank statement to the general ledger.

Finding: For two of the four deposits selected for testing, the deposit was not made within one business day of receipt at the collection location.

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).

Finding: Procedure performed without exception. There is only one location that processed payments.

- 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;
 - ii. At least two employees are 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;

- 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
- 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.

Finding: Procedure performed without exception.

- C. For each location selected under procedure #5A above, obtain the Town's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
 - 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 Town, and
 - 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.

Finding: Procedure performed without exception.

- D. Using the Town'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 Town's policy, and (b) approved by the required number of authorized signers per the Town'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.

Finding: Procedure performed without exception.

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.

Finding: Procedure performed without exception.

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

Finding: For the June 2024 statement, there was no evidence that the monthly statement and supporting documentation were reviewed and approved by someone other than the authorized card holder.

- C. Using the monthly statements or combined statements selected under procedure #6B 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 a “missing receipt statement” that is subject to increased scrutiny.

Finding: For each of the ten transactions selected for testing, there was no supporting documentation identifying precisely what was purchased including the business/public purpose.

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);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - 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
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Finding: For each of the five transactions selected for testing, there was no supporting documentation nor evidence of review and approval by someone other than the person receiving reimbursement.

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;

Finding: Procedure performed without exception.

- 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);

Finding: Procedure performed without exception.

- 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

Finding: Not applicable.

- 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.

Finding: Procedure performed without exception.

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.

Finding: Procedure performed without exception.

- 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);

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
- iii. Observe that any leave accrued or taken during the pay period is reflected in the Town's cumulative leave records; and
- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Finding: *Procedure performed without exception.*

- 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 Town'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 Town policy.

Finding: *Not applicable. There were no termination payments during the fiscal period.*

- 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, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Finding: *Procedure performed without exception.*

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

Finding: *None of the five selected employees completed one hour of ethics training during the calendar year.*

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

Finding: *Not applicable. The Town did not make any changes to the ethics policy.*

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

Finding: *The Town has not appointed an ethics designee as required by R.S. 42:1170.*

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.

Finding: *Not applicable. There was no debt issued 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).

Finding: *Not applicable. There were no bonds/notes outstanding at the end of the fiscal period.*

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 Town reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Town is domiciled as required by R.S. 24:523.

Finding: *Not applicable. There were no misappropriations of public funds and assets during the fiscal period.*

- B. Observe that the Town 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.

Finding: *The Town has not posted the required notice on its premises and website.*

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 Town's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the Town'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.

- iii. Obtain a listing of the Town'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.

Finding: *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 procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Finding: *We performed the procedure and discussed the results with management.*

- 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.

Finding: *We performed the procedure and discussed the results with management.*

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.

Finding: *None of the five employees selected completed sexual harassment training during the calendar year.*

- B. Observe that the Town has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the Town's premises if the Town does not have a website).

Finding: *The Town has not posted its sexual harassment policy and complaint procedure on its website.*

- C. Obtain the Town'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;
- ii. Number of sexual harassment complaints received by the agency;

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

Finding: *The Town did not complete the annual sexual harassment report for the current fiscal period.*

We were engaged by the Town of Killian, Louisiana to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

Griffin & Furman, LLC

Covington, Louisiana

October 22, 2025

TOWN OF KILLIAN, LOUISIANA

Schedule of Findings

For the Year Ended June 30, 2024

2024-1 – Written Policies and Procedures

Written Policies and Procedures

Procedure:

- A. Obtain and inspect the Town’s written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the Town’s operations:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - 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.
 - iii. **Disbursements**, including processing, reviewing, and approving.
 - 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).
 - 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.
 - 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.
 - vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - 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).
 - 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

TOWN OF KILLIAN, LOUISIANA

Schedule of Findings

For the Year Ended June 30, 2024

maintained to demonstrate that all employees and officials were notified of any changes to the Town's ethics policy.

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

Finding: *The Town did not have written policies and procedures addressing any of the above areas.*

2024-2 – Board or Finance Committee

Procedure:

- 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.

Finding: *We noted that the board did not receive written updates of the progress of resolving prior year findings.*

2024-3 – Bank Reconciliations

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

Finding: *None of the three reconciliations selected for testing included written evidence that the reconciliations were reviewed within one month of the date the reconciliation was prepared.*

TOWN OF KILLIAN, LOUISIANA

Schedule of Findings

For the Year Ended June 30, 2024

2024-4 – Collections

Procedure:

- 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;
 - 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;
 - 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
 - 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/official verifies the reconciliation.

Finding: *For the sole deposit site, there was no evidence that job duties are properly segregated.*

2024-5 – Collections

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). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

TOWN OF KILLIAN, LOUISIANA

Schedule of Findings

For the Year Ended June 30, 2024

- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- 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).
- v. Trace the actual deposit per the bank statement to the general ledger.

***Finding:** For two of the four deposits selected for testing, the deposit was not made within one business day of receipt at the collection location.*

2024-6 - Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

Procedure:

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

***Finding:** For the June, 2024 statement, there was no evidence that the monthly statement and supporting documentation were reviewed and approved by someone other than the authorized card holder.*

2024-7 - Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

Procedure:

- C. Using the monthly statements or combined statements selected under procedure #6B 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

TOWN OF KILLIAN, LOUISIANA

Schedule of Findings

For the Year Ended June 30, 2024

control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

***Finding:** For each of the ten transactions selected for testing, there was no supporting documentation identifying precisely what was purchased including the business/public purpose.*

2024-8 – Travel and Travel-Related Expense Reimbursements (excluding card transactions)

Procedure:

- 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);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - 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
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

***Finding:** For each of the five transactions selected for testing, there was no supporting documentation nor evidence of review and approval by someone other than the person receiving reimbursement.*

2024-9 – Ethics

Procedure:

- 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

TOWN OF KILLIAN, LOUISIANA

Schedule of Findings

For the Year Ended June 30, 2024

***Finding:** None of the five selected employees completed one hour of ethics training during the calendar year.*

2024-10 – Ethics

Procedure:

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

***Finding:** The Town has not appointed an ethics designee as required by R.S. 42:1170.*

2024-11 – Fraud Notice

Procedure:

- B. Observe that the Town 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.

***Finding:** The Town has not posted the required notice on its premises and website.*

2024-12 - Prevention of Sexual Harassment

Procedure:

- 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.

***Finding:** None of the selected employees completed sexual harassment training during the calendar year.*

2024-13 - Prevention of Sexual Harassment

Procedure:

- B. Observe that the Town has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the Town's premises if the Town does not have a website).

***Finding:** The Town has not posted its sexual harassment policy and complaint procedure on its website.*

TOWN OF KILLIAN, LOUISIANA

Schedule of Findings

For the Year Ended June 30, 2024

2024-14 - Prevention of Sexual Harassment

Procedure:

- C. Obtain the Town'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:
- iii. Number and percentage of public servants in the agency who have completed the training requirements;
 - iv. Number of sexual harassment complaints received by the agency;
 - v. Number of complaints which resulted in a finding that sexual harassment occurred;
 - vi. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - vii. Amount of time it took to resolve each complaint.

Finding: *The Town did not complete the annual sexual harassment report for the current fiscal period.*

MAYOR
Caleb Atwell

TOWN OF KILLIAN
Livingston Parish, Louisiana
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ALDERMAN
Wesley Bignar
Ronald Sharp Sr.
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October 22, 2025

Griffin & Furman, LLC
205 East Lockwood St.
Covington, LA 70433

Re: Fiscal Year 2024 Agreed Upon Procedures Schedule of Findings

Dear Mr. Furman,

In response to the above referenced Schedule of Findings, the Town of Killian acknowledges the findings and agrees to take the following corrective actions.

2024-1 – Written Policies and Procedures

Written Policies and Procedures

Procedure:

- A. Obtain and inspect the Town’s written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the Town’s operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - 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.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - 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).

- 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.
- 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.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- 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).
- 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 Town's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- 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.
- 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.

Finding: The Town did not have written policies and procedures addressing any of the above areas.

Town of Killian Corrective Action:

The Mayor and the board of aldermen will work together to adopt policies and procedures to address each one of these items. We will have policies adopted by 6/30/2026

2024-2 – Board or Finance Committee

Procedure:

- 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.

Finding: The board did not receive written updates of the progress of resolving prior year findings.

Town of Killian Corrective Action:

The mayor will begin to send written updates to the board of aldermen regarding audit finding resolutions this will begin immediately.

2024-3 – Bank Reconciliations

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

Finding: None of the three reconciliations selected for testing included written evidence that the reconciliations were reviewed within one month of the date the reconciliation was prepared.

Town of Killian Corrective Action:

The Mayor will ensure that a board member receives a copy of the bank reconciliation report at the monthly meeting and that it is signed off in a timely manner this will begin immediately.

2024-4 – Collections

Procedure:

- 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;
 - 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;

- 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
- 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/official verifies the reconciliation.

Finding: For the sole deposit site, there was no evidence that job duties are properly segregated.

Town of Killian Corrective Action:

The town of Killian now only accepts exact change for cash collections. A cash drawer has been purchased to secure cash collections. However, it is not financially viable for 2 employees to always be in the Town of Killian so this maybe continue to be an internal control deficiency. We will take mitigating action such as having a board member sign off on bank reconciliations. We have also engaged Phil Hebert and Associates as our internal CPA.

2024-5 – Collections

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). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - 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).
 - v. Trace the actual deposit per the bank statement to the general ledger.

Finding: For two of the four deposits selected for testing, the deposit was not made within one business day of receipt at the collection location.

Town of Killian Corrective Action:

The new town clerks have been instructed to make deposits within 1 business day of receipt at the location. They are consistently making deposits within 1 business day.

2024-6 - Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

Procedure:

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

Finding: *For the June, 2024 statement, there was no evidence that the monthly statement and supporting documentation were reviewed and approved by someone other than the authorized card holder.*

Town of Killian Corrective Action:

The mayor has the only debit card. The card is in possession of 1 clerk and the other clerk will be responsible for reviewing the bank statement and ensuring that receipts are being kept track of. The police department has been suspended and the administrative chief will no longer have access to a debit card. This occurred in August of 2025.

2024-7 – Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

Procedure:

- C. Using the monthly statements or combined statements selected under procedure #6B 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 a “missing receipt statement” that is subject to increased scrutiny.

Finding: For each of the ten transactions selected for testing, there was no supporting documentation identifying precisely what was purchased including the business/public purpose.

Town of Killian Corrective Action:

The mayor has the only debit card. The card is in possession of 1 clerk and the other clerk will be responsible for reviewing the bank statement and ensuring that receipts are being kept track of. The police department has been suspended and the administrative chief will no longer have access to a debit card. This occurred in August of 2025.

2024-8 – Travel and Travel-Related Expense Reimbursements (excluding card transactions)

Procedure:

- 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);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - 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
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Finding: For each of the five transactions selected for testing, there was no supporting documentation nor evidence of review and approval by someone other than the person receiving reimbursement.

Town of Killian Corrective Action:

The mayor and new town clerks will ensure that all travel and travel-related expense reimbursements are properly documented and approved.

2024-9 – Ethics

Procedure:

- 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

Finding: None of the five selected employees completed one hour of ethics training during the calendar year.

Town of Killian Corrective Action:

All newly elected officials completed the required 1 hour within 90 days of the election date. The town clerks will be instructed to collect the required certifications.

2024-10 – Ethics

Procedure:

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

Finding: The Town has not appointed an ethics designee as required by R.S. 42:1170.

Town of Killian Corrective Action:

The town will appoint 1 of the town clerks as its ethics designee at the next board meeting.

2024-11 – Fraud Notice

Procedure:

- B. Observe that the Town 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.

Finding: The Town has not posted the required notice on its premises and website.

Town of Killian Corrective Action:

The town will immediately post the required notice on its premises and website

2024-12 - Prevention of Sexual Harassment

Procedure:

- 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.

Finding: *None of the five employees selected completed sexual harassment training during the calendar year.*

Town of Killian Corrective Action:

The town will immediately require the board members and employees to attend the LMA's online sexual harassment class.

2024-13 - Prevention of Sexual Harassment

Procedure:

- B. Observe that the Town has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the Town's premises if the Town does not have a website).

Finding: *The Town has not posted its sexual harassment policy and complaint procedure on its website.*

Town of Killian Corrective Action:

The town will adopt and post a sexual harassment policy and complaint procedure on its website and premises no later than 6/30/2026

2024-14 - Prevention of Sexual Harassment

Procedure:

- C. Obtain the Town'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:
- iii. Number and percentage of public servants in the agency who have completed the training requirements;
 - iv. Number of sexual harassment complaints received by the agency;
 - v. Number of complaints which resulted in a finding that sexual harassment occurred;
 - vi. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

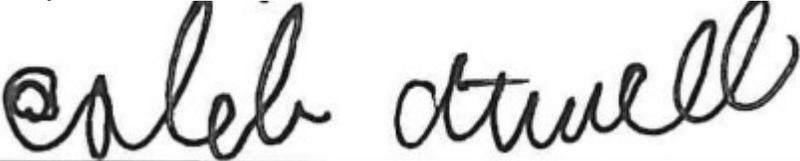
vii. Amount of time it took to resolve each complaint.

Finding: *The Town did not complete the annual sexual harassment report for the current fiscal period.*

Town of Killian Corrective Action:

The town will begin reporting this information once all its board members and employees take the required courses through the LMA.

Sincerely,



Caleb Atwell
Mayor