TOWN OF CHENEYVILLE

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025

Rozier McKay & Willis
CERTIFIED PUBLIC ACCOUNTANTS

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Rozier McKay & Willis
CERTIFIED PUBLIC ACCOUNTANTS

March 5, 2026

Independent Auditors' Report

The Honorable Mayor and the Board of Aldermen
Town of Cheneyville, Louisiana

REPORT ON THE FINANCIAL STATEMENTS

Disclaimer of Opinion

We were engaged to audit the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Cheneyville, as of and for the year June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

We do not express an opinion on the financial statements of the governmental activities, business-type activities, and each major fund of the Town. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Basis for Disclaimer of Opinion

During a portion of the year we were engaged to audit, the Town's previous accounting personnel made little effort to document expenditures or record financial transactions. Due to the uncertainties resulting from these matters, management was not able to provide written representations required by generally accepted auditing standards.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Cheneyville'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 responsibility is to conduct an audit of the Town of Cheneyville's financial statements in accordance with generally accepted auditing standards and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the governmental activities, business-type activities, and each major fund.

We are required to be independent of the Town of Cheneyville and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our engagement to audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the information listed below to supplement the basic financial statements.

- Management's Discussion and Analysis
- Budgetary Comparison Information

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

Supplementary Information

We were engaged to conduct an audit for the purpose of forming opinions on the financial statements that collectively comprise the Town of Cheneyville's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to the Agency Head or Chief Executive Officer, the Schedule of Per Diem Paid to Board Members, and the Justice System Funding Schedule, described as additional information in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The additional information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Because of the significance of the matters documented in the Basis for Disclaimer of Opinion section of this report, we do not express an opinion on the additional information in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARD

In accordance with *Government Auditing Standards,* we have also issued our report dated March 5, 2026, on our consideration of the Town of Cheneyville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an engagement in accordance with *Government Auditing Standards* in considering the Town of Cheneyville's internal control over financial reporting and compliance.

Rozier, McKay & Willis

ROZIER, McKAY & WILLIS
Certified Public Accountants
Alexandria, Louisiana

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

Overview of Financial Statements

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

Government –Wide Financial Statements

The government-wide financial statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Town's assets (including infrastructure acquired after July 1, 2003) and all of the Town's liabilities (including long-term debt).

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

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

Fund Financial Statements

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

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

Financial Analysis of the Town as a Whole

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

Net Position

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

	June 30, 2025			
	Governmental Activities	Business-Type Activities	Total	For the Year Ended June 30, 2024
Assets:				
Current and Other Assets	$ 151,527	$ 312,608	$ 464,135	$ 453,651
Internal Balances	233,430	(233,430)	----	----
Capital Assets	1,460,056	1,628,793	3,088,849	2,877,602
Total Assets	1,845,013	1,707,971	3,552,984	3,331,253
Liabilities:				
Current and Other Liabilities	156,354	193,659	350,013	160,728
Long-term Liabilities	----	700,000	700,000	700,000
Total Liabilities	156,354	893,659	1,050,013	860,728
Net Position:				
Invested in Capital Assets (Net)	1,460,056	928,793	2,388,849	2,177,602
Restricted	----	----	----	----
Unrestricted	228,603	(114,481)	114,122	292,923
Total Net Position	$ 1,688,659	$ 814,312	$ 2,502,971	$ 2,470,525

As the presentation appearing above demonstrates, the largest portion of the Town's net position (95.4%) is invested in capital assets. Net position invested in capital assets consist of land, buildings, equipment, and infrastructure less any debt used to acquire the assets. The Town uses these capital assets to provide services to its citizens; consequently, these amounts are not available for future spending.

A portion of the Town's resources are unrestricted (4.6%), and are available to be utilized by the Town to meet its ongoing obligations to creditors and other interested parties for the foreseeable future.

Changes in Net Position

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

	For the Year Ended June 30, 2025			
	Govern-mental Activities	**Business-Type Activities**	**Total**	**For the Year Ended June 30, 2024**
Revenues:				
Program Revenue:				
Charges for Services	$ 346,937	$ 344,848	$ 691,785	$ 629,491
Operating Grants and Contributions	----	----	----	----
Capital Grants and Contributions	----	245,001	245,001	----
General Revenue:				
Sales Taxes	270,711	----	270,711	237,430
Property Taxes	33,830	----	33,830	19,110
Franchise Taxes	32,015	----	32,015	29,081
Occupational Licenses	20,296	----	20,296	22,064
Miscellaneous	219,098	7,454	226,552	171,166
Total Revenue	922,887	597,303	1,520,190	1,108,342
Program Expenses:				
General Government	838,142	----	838,142	308,580
Public Safety				
Police Department	25,463	----	25,463	252,298
Public Works	231,272	----	231,272	247,875
Utilities	----	363,039	363,039	409,300
Recreation	29,828	----	29,828	29,290
Total Expenses	1,124,705	363,039	1,487,744	1,247,343
Increase (Decrease) in Net Position Before Transfers	(201,818)	234,264	32,446	(139,001)
Transfers	133,102	(133,102)	----	----
Change in Net Position	(68,716)	101,162	32,446	(139,001)
Net Position Beginning:	1,757,375	713,150	2,470,525	2,609,526
Net Position Ending	$ 1,688,659	$ 814,312	$2,502,971	$2,470,525

Governmental activities before transfers experienced a decrease of $201,818, and business-type activities before transfers experienced an increase in net position of $234,264. Governmental Activities decreased because of a decrease in fines and forfeitures. Business-Type activities increased due to prudent management of the Town's resources.

Financial Analysis of the Town's Funds

An analysis of significant matters affecting the Town's funds is presented as follows:

- The Town's governmental funds reported combined fund balances of $228,603, which represents a decrease of $104,241 in comparison to the previous balance.
- Amounts reported for business-type activities in the Town's individual funds are identical to the business-type activities reported in the government-wide presentation.

General Fund Budget Highlights

The general fund is the only fund required by law to adopt a budget and the budget is amended as necessary. Some revisions to the original budget were made to address revenues and related expenditures that were not anticipated when the original budget was prepared.

Capital Asset Administration

In the current year, the Town's capital asset administration included a splash pad and well improvements.

Debt Administration

The Town's debt activity was limited to paying installments due on existing obligations.

Factors Expected to Affect Future Operations

At the present time, no events or conditions have been identified that are expected to have a significant influence on future operations.

Town of Cheneyville

STATEMENT OF NET POSITION

June 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 44,426	$ 67,737	$ 112,163
Investments	-	156,901	156,901
Receivables (Net)	103,683	87,970	191,653
Internal Balances	233,430	(233,430)	-
Restricted Assets - Cash	3,418	-	3,418
Capital Assets:			
Non Depreciable Capital Assets	37,406	117,809	155,215
Depreciable Assets, Net	1,422,650	1,510,984	2,933,634
Total Assets	1,845,013	1,707,971	3,552,984
LIABILITIES			
Accounts Payable and other Payables	156,354	132,088	288,442
Accrued Interest	-	-	-
Deposits due others	-	61,571	61,571
Long-Term liabilities			
Long-Term Debt			
Due within one year	-	80,000	80,000
Due in more than one year	-	620,000	620,000
Total Liabilities	156,354	893,659	1,050,013
NET POSITION			
Invested in capital assets, net of related debt	1,460,056	928,793	2,388,849
Unrestricted	228,603	(114,481)	114,122
Total Net Position (deficit)	$ 1,688,659	$ 814,312	$ 2,502,971

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

Town of Cheneyville

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	$ 838,142	$ -	$ -	$ -	$ (838,142)	$ -	$ (838,142)
Public Safety	25,463	109,461	-	-	83,998	-	83,998
Streets and Drainage	231,272	237,476	-	-	6,204		6,204
Culture and Recreation	29,828	-	-	-	(29,828)	-	(29,828)
Total Governmental Activities	1,124,705	346,937	-	-	(777,768)	-	(777,768)
Business-Type Activities:							
Utility System	363,039	344,848	-	245,001	-	226,810	226,810
Total Business-Type Activities	363,039	344,848	-	245,001	-	226,810	226,810
Total Primary Government	$ 1,487,744	$ 691,785	$ -	$ 245,001	(777,768)	226,810	(550,958)
General Revenues:							
Taxes:							
Ad Valorem					33,830	-	33,830
Sales Taxes					270,711	-	270,711
Franchise					32,015	-	32,015
Occupational Licenses					20,296	-	20,296
Other					219,098	7,454	226,552
Transfers					133,102	(133,102)	-
Total General Revenues and Transfers					709,052	(125,648)	583,404
Change in Net Assets					(68,716)	101,162	32,446
Net Position Beginning					1,757,375	713,150	2,470,525
Net Position Ending					$ 1,688,659	$ 814,312	$ 2,502,971

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

Town of Cheneyville

Balance Sheet

Governmental Funds - June 30, 2025

		General
Assets		
Cash and Cash Equivalents	$	44,426
Receivables (Net)		103,683
Interfund Receivable		233,430
Restricted Cash		3,418
Total Assets	$	384,957
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable	$	156,354
Total Liabilities		156,354
Fund Balance:		
Unassigned		228,603
Total Fund Balance		228,603
Total Liabilities and Fund Balance	$	384,957

Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Position of Governmental Activities on the Statement of Net Position

Total Fund Balances - Governmental Funds	$	228,603
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		1,460,056
Net Position of Governmental Activities	$	1,688,659

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

Town of Cheneyville

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds - Year Ended June 30, 2025

	General Fund
Revenues:	
Ad Valorem	$ 33,830
Sales Tax	270,711
Franchise Taxes	32,015
Occupational Licenses	20,296
Sanitation Fees	45,538
Fines and Forfeitures	109,461
Intergovernmental	191,938
Other	219,098
Total Revenues	922,887
Expenditures:	
Current:	
General Government	828,299
Public Safety	23,164
Streets and Drainage	168,287
Culture and Recreation	15,680
Capital Expenditures	124,800
Total Expenditures	1,160,230
Excess (Deficiency) of Revenue Over Expenditures	(237,343)
Other financing sources (uses):	
Operating Transfers	133,102
Total other financing sources (uses)	133,102
Excess (deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(104,241)
Fund Balance - Beginning of Year	332,844
Fund Balance - End of Year	$ 228,603

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

Town of Cheneyville

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

Year Ended June 30, 2025

Net change in fund balances of Governmental Funds		$ (104,241)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation and loss or gain on disposals in the current year.		
Capital Expenditures	124,800	
Depreciation Expense	(89,276)	35,525
Change in net position of Governmental Activities		$ (68,716)

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

Town of Cheneyville

Statement of Net Position
Proprietary Funds - Year Ended June 30, 2025

	Utility System
Assets	
Current Assets:	
Cash and Cash Equivalents	$ 67,737
Investments	156,901
Receivables (Net)	87,970
Total Current Assets	312,608
Noncurrent Assets:	
Land	117,809
Depreciable Capital Assets, Net	1,510,984
Total Noncurrent Assets	1,628,793
Total Assets	1,941,401
Liabilities:	
Current Liabilities:	
Accounts and Other Payables	132,088
Accrued Interest	-
Interfund Payable	233,430
Deposits due others	61,571
Current Portion of Long-Term Debt	80,000
Total Current Liabilities	507,089
Noncurrent Liabilities	
Long-Term Debt - Noncurrent Portion	620,000
Total liabilities	1,127,089
Net Position:	
Invested in capital assets, net of related debt	928,793
Unrestricted	(114,481)
Total net position	$ 814,312

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

Town of Cheneyville

Statement of Revenues, Expenditures, and Changes in Fund Net Assets
Proprietary Funds - Year Ended June 30, 2025

	Utility System
Operating Revenues:	
Service Fees	344,848
Other	-
Total Operating Revenues	344,848
Operating Expenses:	
Insurance	-
Repairs and Maintenance	1,248
Supplies and Chemicals	-
Utilities and Telephone	94,135
Permits and Testings	90,573
Depreciation Expense	141,765
Other Expenses	17,714
Total Operating Expenses	345,435
Operating Income (Loss)	(587)
Non-Operating Revenues (Expenses):	
Grant Proceeds	245,001
Interest Income	7,454
Interest Expense	(17,604)
Change in Net Assets before Contributions and Transfers	234,264
Contributions and Transfers:	
Operating Transfers	(133,102)
Change in Net Position	101,162
Total Net Position - Beginning	713,150
Total Net Position - Ending	$ 814,312

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

Town of Cheneyville

Statement of Cash Flows

Proprietary Funds - Year Ended June 30, 2025

	Utility System
Cash flow from operating activities:	
Cash received from customers	$ 293,837
Cash payments to suppliers of goods and services	(87,085)
Cash payments to employees for service	-
Net cash provided (used) by operating activities	206,752
Cash flows from non-capital financing activities:	
Operating transfers, net	(133,102)
Net cash provided (used) by non-capital financing activities	(133,102)
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(317,487)
Capital Grant Proceeds	245,001
Interest paid on Debt	(17,604)
Principle paid on Debt	-
Net cash provided (used) by capital and related financing activities	(90,090)
Cash flows from investing activities:	
Purchase of Investments	(7,222)
Interest and other income	7,454
Net cash provided (used) by investing activities	232
Net increase (decrease) in cash	(16,208)
Beginning cash balance	83,945
Ending cash balance	67,737
Cash - Restricted	-
Cash - Unrestricted	$ 67,737

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

Statement of Cash Flows (Continued)

Proprietary Funds - Year Ended June 30, 2025

		Utility System
Reconciliation of operating income (loss) to net cash		
Operating Income (loss)	$	(587)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		141,765
(Increase) decrease in accounts receivable		(50,768)
(Decrease) increase in accounts payable		116,585
(Decrease) increase in meter deposits		(243)
Net cash provided (used) by operating activities	$	206,752

Supplemental disclosures of cash flow information:

For the years ended June 30, 2025 there were no investing, capital, and financing activities that did not result in cash receipts or payments.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Cheneyville, Louisiana (the Town) was incorporated under the provisions of the Lawrason Act and operates under a Mayor-Board of Aldermen form of government. The Town provides various services including public safety, streets and drainage, recreation, public improvements, utility (water, sewerage, and sanitation), and general administrative services.

The accompanying policies of the Town of Cheneyville, Louisiana, conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies.

Financial Reporting Entity

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

Governmental Accounting Standards Board establishes criteria for determining which component units should be considered part of the Town of Cheneyville for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criterion includes:

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

    - The ability of the Town to impose its will on that organization, and/or

    - The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Town.

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

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

Based upon the above criteria, the Town of Cheneyville has no component units for the year ended June 30, 2025.

Basic Financial Statements

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

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

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

Government-Wide Financial Statements
The Statement of Net Assets and the Statement of Activities display information about the Town as a whole. The effect of most inter-fund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude any fiduciary activities which are reported in the fund financial statements.

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

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

Governmental Funds
- General fund – The general fund is the primary operating fund and is used to account for all governmental activities.

Proprietary Funds
- Utility System – The Utility System is used to account for the distribution of drinkable water to the Town's citizens and wastewater operations of the Town and is supported by user fees.

Business-Type funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with the funds ongoing operations. Principal operating revenues are charges to customers for natural gas, water and sewer service.

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

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

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

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

Non-Exchange Transactions

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

Use of Estimates

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

Restricted Assets

Restricted assets represent resources that must be expended in a specific manner. Restrictions of this nature are imposed by various contractual obligations including grant agreements and bond covenants. In situations where it is permissible to spend restricted resources, the Town typically depletes the available restricted resources before consuming unrestricted resources.

Budget Practices

The Mayor prepares an annual budget for the Town's general fund. This budget is submitted to the Board of Aldermen and an approved budget is adopted before the beginning of each fiscal year. Amended budgets are prepared prior to the conclusion of each fiscal year. The amended budgets are prepared and approved in the same manner as the original budget.

The general fund budget presents revenue and expenditures on a basis which is consistent with generally accepted accounting principles. No annual budget is required for the Town's Utility Fund.

Capital Assets

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

Infrastructure capital assets consisting of streets, bridges, sidewalks, and drainage systems acquired before July 1, 2003, are excluded from capital assets. Depreciation associated with capital assets is computed using the straight-line method over the estimated useful lives of the assets.

Cash and Cash Equivalents

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

Compensated Absences

Employees have limited ability to accumulate unused leave and do not have a vested interested in unused leave. Accordingly, there are no liabilities associated with compensated absences.

Statement of Cash Flows

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

Interfund Transactions

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without expectation of repayment, the transaction is reported as a transfer. Transfers are treated as a source of income by the recipient and as an expense or expenditure by the provider. If repayment is eventually expected to occur, interfund receivables and payables are recorded.

In preparing the government-wide financial statements, transfers are eliminated to present net transfers for governmental activities and business-type activities. In addition, interfund receivables and payables are eliminated to present a net internal balance for each type of activity.

Fund Balance Classification

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

NOTE 2 - CASH AND CASH EQUIVALENTS

At June 30, 2025, cash and cash equivalents included the following amounts:

	Governmental Activities	Business-Type Activities	Total
Cash Deposits	$ 47,494	$ 67,677	$ 115,171
Cash on Hand	350	60	410
Total Cash	47,844	67,737	115,581
Restricted Cash	3,418	----	3,418
Cash and Cash Equivalents	$ 44,426	$ 67,737	$ 112,163

Cash deposited in banks is stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2025, the Town has $115,581 in deposits (collected bank balance of $137,043). These deposits are protected by FDIC insurance in the amount of $137,043.

Even though the pledged securities are considered uncollateralized, State law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 - INVESTMENTS

Included in the investment balance at year-end is $156,901 held by the Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities that have contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

Generally accepted accounting principles require disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an external investment pool that, to the extent practical, invest in a manner consistent with Generally Accepted Accounting Principles for investment pools. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAA by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 56 days from LAMP's monthly Portfolio Holdings as of June 30, 2025.
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

NOTE 4 - RECEIVABLES

Receivables at June 30, 2025, consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Accounts Receivable			
Charges for Services	$ 4,706	$ 87,970	$ 92,676
Franchise Taxes	5,932	----	5,932
Total Accounts Receivables	10,638	87,970	98,608
Due From Other Governmental Units			
Rapides Parish Police Jury	93,045	----	93,045
Total Due From Other Governmental Units	93,045	----	93,045
Total Receivables	103,683	87,970	191,653
Allowance for Doubtful Accounts	----	----	----
Net Receivables	$ 103,683	$ 87,970	$ 191,653

NOTE 5 – LONG –TERM LIABILITIES

Any debt attributable to the acquisition of the Town's utility system and the operation of the utility system is reported as an obligation of the Town's business-type enterprise funds. Remaining debts are reported as governmental activities. The Town's debts are summarized as follows:

	Governmental Activities	Business-Type Activities	Total
Long-Term Liabilities			
Revenue Bonds	$ ----	$ 700,000	$ 700,000
Due Within One Year	----	80,000	80,000
Due in More Than One Year	$ ----	$ 620,000	$ 620,000

Debt Instruments

Long-term liabilities include debt instruments that are summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Business-Type Activities				
Revenue Bonds	$ 700,000	$ ----	$ ----	$ 700,000

A description of the debt instrument is presented as follows:

$700,000 Utility Revenue Bonds Series 2021, bearing interest at a rate ranging from 0.99% to 3.00%, payable in annual installments ranging from $30,000 to $55,000 with the final installment due in 2041.	$ 700,000

Maturity of Long-term Debt

A schedule of maturities of long-term debt excluding compensated absences and capital leases is presented as follows:

	Business-Type Activities	
Year Ended June 30th	**Principal Installments**	**Interest**
2026	$ 80,000	$ 17,072
2027	40,000	16,464
2028	40,000	15,784
2029	40,000	15,040
2030	45,000	14,236
2031-2035	205,000	54,205
2036-2040	205,000	25,500
2041-2045	45,000	1,350
Total Governmental	$ 700,000	$ 159,651

NOTE 6 – AD VALOREM TAXES

The Town bills and collects its own property taxes using assessed values determined by the Tax Assessor of Rapides Parish. Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to the taxpayers in late November or December. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

For the year ended June 30, 2025, the Town levied 9.03 mills of ad valorem taxes dedicated to the general corporate purposes of the Town.

NOTE 7 - FIXED ASSETS

Changes in the governmental and business-type capital assets are presented as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities				
Non-Depreciable Capital Assets				
Construction in Progress	$ ----	$ ---	$ ----	$ ----
Land	37,406	----	----	37,406
Total	37,406	----	----	37,406
Depreciable Capital Assets				
Buildings	197,728	----	----	197,728
Improvements	1,865,019	----	----	1,865,019
Equipment/Vehicles	501,244	124,801	----	626,045
Accumulated Depreciation	(1,176,867)	(89,275)	----	(1,266,142)
Total	1,387,124	35,526	----	1,422,650

	Beginning Balance	Additions	Disposals	Ending Balance
Total Governmental Activities	$ 1,424,530	$ 35,526	$ ----	$ 1,460,056
Business-Type Activities				
Non-Depreciable Capital Assets				
Construction in Progress	$ ----	$ 72,486	$ ----	$ 72,486
Land	45,323	----	----	45,323
Total	45,323	72,486	----	117,809
Depreciable Capital Assets				
Sewer System	4,064,923	245,001	----	4,309,924
Vehicles	13,046	----	----	13,046
Buildings	3,159	----	----	3,159
Equipment	409,848	----	----	409,848
Water Distribution System	2,779,775	----	----	2,779,775
Accumulated Depreciation	(5,863,003)	(141,765)	----	(6,004,768)
Total	1,407,748	103,236	----	1,510,984
Total Business-Type Activities	$ 1,453,071	$ 175,722	$ ----	$ 1,628,793

Depreciation expense reported by the various functions is presented as follows:

Governmental Activities	
General Government	$ 9,843
Public Safety	2,299
Streets and Drainage	62,985
Culture and Recreation	14,148
Total Depreciation – Governmental Activities	$ 89,275
Business-Type Activities	
Sewer System	$ 52,341
Water System	89,424
Total Depreciation – Business-Type Activities	$ 141,765

NOTE 8 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

The following is a summary of accounts payable and accrued expenses at June 30, 2025:

	Payable to Vendors	Accrued Expenses	Total
Governmental Activities			
General Fund	$ 76,445	$ 79,909	$ 156,354
Total Governmental	76,445	79,909	156,354
Business-Type Activities			
Utility System	132,088	----	132,088
Total Business-Type	132,088	----	132,088
Total Accounts Payable And Accrued Expenses	$ 208,533	$ 79,909	$ 288,442

NOTE 9 - RISK MANAGEMENT

The Town of Cheneyville is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks of loss are covered by a comprehensive commercial insurance policy and participation in a public entity risk pool that operates as a common insurance program. Claims resulting from these risks have historically not exceeded insurance coverage.

NOTE 10 – CONTINGENCIES

Existing conditions that may have financial consequences in the future are referred to as contingencies. Contingencies existing at June 30, 2025 are described as follows:

Litigation

The Town's Police Department is covered by the Louisiana Municipal Police Employees Retirement System (MPERS). MPERS is pursuing claims demanding additional contributions related to work performed as far back as 2014. The Town is disputing claims by MPERS and has retained an attorney to defend against these claims. Details regarding these claims are described as follows:

1. MPERS has asserted that the Town owes additional contributions above and beyond payments already submitted on behalf of its Police Department. MPERS asserts it is entitled to collect an additional $271,868.

Based on its evaluation of the matters presented above, management believes that the claims described above are unjustified, but management also acknowledges that legal proceedings may not be resolved in the Town's favor. Due to the uncertainty involved in the litigation process, and due to the lack of a reliable, definitive amount owed, there is no loss provision in the financial statement.

Grant Compliance

The Town receives state and federal assistance through various grant programs. Management is confident that all significant grant conditions have been met; however, grantor agencies routinely review grant activity and could request reimbursement if a dispute occurs regarding compliance with grant conditions.

Town of Cheneyville

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

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Ad Valorem	$ 21,000	$ 37,000	$ 33,830	$ (3,170)
Sales Tax	220,000	220,000	270,711	50,711
Franchise Taxes	26,000	27,000	32,015	5,015
Occupational Licenses	9,000	9,000	20,296	11,296
Charges for Services	45,050	7,000	45,538	38,538
Fines and Forfeitures	140,000	125,000	109,461	(15,539)
Intergovernmental	91,100	315,000	191,938	(123,062)
Other	36,500	2,500	219,098	216,598
Total revenues	588,650	742,500	$ 922,887	180,387
Expenses:				
General government	399,586	760,800	828,299	(67,499)
Public Safety	137,270	135,620	23,164	112,456
Streets and Drainage	141,000	201,500	168,287	33,213
Recreation	-	-	15,680	(15,680)
Debt Service	-	-	-	-
Capital Outlay	-	-	124,800	(124,800)
Total Expenses	677,856	1,097,920	1,160,230	(62,310)
Excess (deficiency) of revenues over expenditures	(89,206)	(355,420)	(237,343)	118,077
Other financing sources (uses):				
Operating transfers	25,000	185,000	133,102	(51,898)
Total other financing sources (uses)	25,000	185,000	133,102	(51,898)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(64,206)	(170,420)	(104,241)	66,179

TOWN OF CHENEYVILLE

Schedule of Compensation Paid to Board Members

Year Ended June 30, 2025

Derrick Johnson	$	11,000
Charles Collins		5,100
Francis Mitchell		3,300
Ruby Crawford		3,600
Ronny Green Jr		4,300
Rebecca Cook		3,600
Total Compensation	$	30,900

TOWN OF CHENEYVILLE

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer
Year Ended June 30, 2025

Agency Head (Mayor) -Derrick Johnson

Purpose:		
Compensation	$	11,000
Payroll Taxes		878
Expense Allowance		3,850
Reimbursements		2,527

Town of Cheneyville

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

For the Year Ended June 30, 2025

Cash Basis Presentation	First Six Month Period Ended December 31, 2024	Second Six Month Period Ended June 30, 2025
Beginning Balance of Amounts Collected	$ -	$ -
Add: Collections		
Criminal Court Costs/Fees	74,666	28,498
Subtotal Collections	74,666	28,498
Less: Disbursements to Governments & Nonprofits		
Criminal Court Cost / Fees		
Louisiana Commission on Law Enforcement	-	-
CMIS Trial Court Case Management System	-	-
Crime Stoppers of Cenla, Inc.	-	-
Louisiana Department of Health and Hospitals	-	-
North Louisiana Crime Lab	-	-
Louisiana Judicial college	-	-
Less: Amounts Retained by Town		
Self Disbursed Court Costs	74,666	28,498
Subtotal Disbursements / Retainage	74,666	28,498
Ending Balance of Amounts Collected but not Disbursed	$ -	$ -
Other Information:		
Total Waivers During the Fiscal Period	-	-

March 5, 2026

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

The Honorable Mayor and the Board of Alderman
Town of Cheneyville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Cheneyville, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Town of Cheneyville's basic financial statements, and have issued our report herein dated March 5, 2026. Our report disclaims an opinion on such financial statements because we have not been able to obtain sufficient appropriate audit evidence.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2025-002 and 2025-007, that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Cheneyville's financial statements are free of 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 six 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 2025-001, 2025-003, 2025-004, 2025-005, 2025-006 and 2025-008.

Town of Cheneyville'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. The Town of Cheneyville's response was not subjected to the other auditing procedures applied in the audit of financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

Rozier, McKay & Willis

ROZIER, McKAY & WILLIS
Certified Public Accountants
Alexandria, LA

Part I - Summary of Auditor's Results:

- The Independent Auditor's Report on the general-purpose financial statements for the Town of Cheneyville, Louisiana, as of June 30, 2025, and for the year then ended expressed an unmodified opinion.
- The audit disclosed two findings (2025-002, 2025-007) which are considered to be significant deficiencies in internal control over financial reporting.
- The audit disclosed six findings which are considered to be instances of noncompliance with applicable laws and regulations (2025-001, 2025-003, 2025-004, 2025-005, 2025-006, 2025-008).
- The Town was not required to have a Single Audit

Part II - Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

Finding 2025-001: Accounting for Meter Deposits

- *Criteria:* The Town should maintain adequate records to reconcile the underlying meter deposit liability to the individual account balances.
- *Condition:* The Town did not maintain sufficient records to be able to reconcile the underlying meter deposit liability to the individual account balances.
- *Effect:* As this account is custodial in nature, the Town should be able to identify the individuals owed in order to properly apply the meter deposit to any outstanding amounts.
- *Cause:* The meter deposit balances have not been properly reconciled to the underlying accounting records.
- *Recommendation:* We recommend that the clerks periodically review the list of meter deposits outstanding and reconcile the list to the Towns accounting records.

Finding 2025-002: Uniform Cutoff Policy

- *Criteria:* The Louisiana Constitution forbids municipalities from giving away anything of value without adequate compensation.
- *Condition:* The Town is not enforcing a uniform cutoff policy for nonpayment of utilities.
- *Effect:* The Town may be in violation of Revised Statutes.
- *Cause:* The Town is not reviewing a monthly list of outstanding balances and requiring employees to terminate the customer's utility services for nonpayment.
- *Recommendation:* We recommend the Town enforce a uniform cutoff policy.

Finding 2025-003: Payroll Tax Reporting

- *Criteria:* The Town should pay payroll taxes as required by federal and state laws.
- *Condition:* The Town did not pay all required payroll taxes to the Internal Revenue Service and Louisiana Department of Revenue.
- *Effect:* Substantial penalties can result from the Town not properly filing or paying required tax liabilities. In addition, the Town may be in violation of state and federal law.
- *Cause:* The previous town clerk's accounting practices led to a lapse in the proper payment of liabilities and caused a failure to pay the correct amounts owed.
- *Recommendation:* We recommend the Town review any correspondence received from taxing authorities and pay any amounts owed.

Finding 2025-004: Collections on Behalf of Other Entities

- *Criteria:* The Town is required to remit certain fines, fees, and court costs to various entities monthly based on ticket collections.
- *Condition:* The Town is not properly remitting these amounts.
- *Effect:* The Town is in violation of Revised Statutes by not remitting these amounts.
- *Cause:* The Town clerks are unaware of the amounts that should be remitted.
- *Recommendation:* We recommend the Town clerks should receive training to determine which amounts to remit to the State.

Finding 2025-005: Debt Covenants

- *Criteria:* The Town is subject to several debt covenants, in accordance with its Revenue Utility Bonds.
- *Condition:* The Town did not comply with its debt covenants by failing to transfer monies to a separate sinking fund account, and not making required debt service payments in a timely manner.
- *Effect:* The Town was not in compliance with its debt covenants at the end of the year.
- *Cause:* The current accounting personnel was not aware of all debt covenant requirements.
- *Recommendation:* We recommend that the Town establish a tickler system, to ensure that all required monthly transfers and payments are performed in the future.

Finding 2025-006: Minutes of Public Meetings

- *Criteria:* Louisiana Revised Statutes require public bodies to keep written minutes of the proceeding of all open meetings.
- *Condition:* The Town was unable to provide copies of public meeting minutes for most of the open meetings held at Town Hall during the year.
- *Effect:* The Town may be in violation of Revised Statutes by not retaining all minutes for open meetings.
- *Cause:* The previous Town Clerk did not maintain the minutes in the fashion required by Louisiana Revised Statutes.
- *Recommendation:* We recommend that the Town retain minutes of all public meetings as required by Louisiana Revised Statutes.

Finding 2025-007: Accounting Policies and Financial Reporting

- *Criteria:* To foster accountability over financial reporting, the Town's accounting system should contain several elements, including readily available documentation, prompt payments of obligations when funds allow, proper classification of transactions, and the production of timely, relevant financial reports to management.
- *Condition:* In the current year, the Town's lack of certain policies and procedures, and deficiencies regarding general accounting practices have contributed to a variety of problems, including unavailable documentation, and management's inability to properly evaluate financial decisions because of a lack of timely and accurate information.
- *Effect:* The Town was unable to provide sufficient documentation to substantiate some expenditures and revenues, leading auditors to be unable to obtain sufficient appropriate audit evidence to opine on the financial statements and, accordingly, issuing a disclaimer of opinion in the audit report.
- *Cause:* The Town's personnel require additional training, and Town's management must commit to establishing a proper control environment.

- *Recommendation:* While we recognize that these issues predated the current administration, we recommend that the Town continue to provide key accounting personnel with adequate training, and continue its efforts to provide a proper control environment.

Finding 2025-008: Late submission of Audit Report

- *Criteria:* Louisiana Audit Law requires entities to submit their audit report no later than six months after the end of their fiscal year.
- *Condition:* In the current year, the Town did not submit its annual financial report to the Legislative Auditor's Office by the required deadline.
- *Effect:* The Town was not in compliance with Louisiana Audit Law.
- *Cause:* The Town was not current with bills owed to the auditor for previous audit reports.
- *Recommendation:* We recommend that the Town continue its efforts to strengthen its control environment and its financial reporting process, which will enable auditors to complete audits in a timely fashion in subsequent periods.

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
Finding 2025-001: Accounting for Meter Deposits The Town did not maintain sufficient records to be able to reconcile the underlying meter deposit liability to the individual account balances. As this account is custodial in nature, the Town should be able to identify the individuals owed as a best practice. In addition, the Town did not send water meter deposits returned to the Town as undeliverable to the state treasury, as required by statute.	**Response:** Our Utility Clerk continues the process of reconciling the meter deposit liability with the underlying individual account balances. In addition, we will submit any required monies to the state treasurer once this process is complete.
Finding 2025-002: Uniform Cutoff Policy During audit procedures, it was discovered that the Town is not enforcing a uniform cutoff policy. LA Revised Statues forbid municipalities from giving away anything of value, including utilities.	**Response:** We will examine our procedures and work towards implementing a uniform cutoff policy.
Finding 2025-003: Payroll Tax Reporting The Town did not make all of its required payroll tax deposits by statutorily set deadlines, causing the Town to be in violation of state and federal law.	**Response:** We will review any correspondence received from taxing authorities, and pay all amounts owed.
Finding 2025-004: Fine-Related Fees During audit procedures, it was determined that the Town had not remitted all fees, fines, and court costs collected on behalf of other entities to the required entities.	**Response:** We will ensure that in the future, all amounts collected on behalf of other entities are submitted as required.
Finding 2025-005: Debt Convenants The Town did not comply with its debt covenants by failing to distribute to a separate sinking fund account and not making payments in a timely manner.	**Response:** We will establish a tickler system, to ensure that all required monthly transfers and payments are performed in the future.
Finding 2025-006: Minutes of Public Meetings The Town was unable to provide copies of public meeting minutes for most of the open meetings held at Town Hall during the year. The Town may be in violation of Revised Statutes by not retaining minutes for all open meetings.	**Response:** We will retain minutes of all public meetings in accordance with Louisiana Revised Statutes.
Finding 2025-007: Accounting Policies and Financial Reporting The Town's lack of certain policies and procedures, and deficiencies regarding general accounting practices have contributed to a variety of problems, including unavailable documentation, and management's inability to properly evaluate financial decisions because of a lack of timely and accurate information.	**Response:** The current administration inherited a deficient accounting system, with records unavailable for an extensive period of time. We have instituted new systems that will enable us to retain all required documentation going forward.

Finding 2025-008: Late Submission of Audit Report The Town did not submit its annual financial report to the Legislative Auditor's Office by the required deadline	**Response:** We believe that this issue will not repeat itself in the future, and that we will pay all of our bills in a timely manner.
SECTION II **MANAGEMENT LETTER**	
FINDINGS No Findings of this Nature	**RESPONSE** No Response Necessary

SECTION I **INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS**	
Finding 2024-001: Accounting for Meter Deposits The Town did not maintain sufficient records to be able to reconcile the underlying meter deposit liability to the individual account balances. As this account is custodial in nature, the Town should be able to identify the individuals owed as a best practice. In addition, the Town did not send water meter deposits returned to the Town as undeliverable to the state treasury, as required by statute.	**Status: Unresolved (See Finding 2025-001)**
Finding 2024-002: Utility Revenues The Town's Ordinance setting Utility Rates, which was adopted in August of 2018, requires the Town to increase Utility Rates once a year by a specified index. The Town has not increased its utility rates since the adoption of the Ordinance, causing the Town to not be compliance.	**Status: Resolved**
Finding 2024-003: Uniform Cutoff Policy During audit procedures, it was discovered that the Town is not enforcing a uniform cutoff policy. LA Revised Statues forbid municipalities from giving away anything of value, including utilities.	**Status: Unresolved (See Finding 2025-002)**
Finding 2024-004: Payroll Tax Reporting The Town did not make all of its required payroll tax deposits by statutorily set deadlines, causing the Town to be in violation of state and federal law.	**Status: Unresolved (See Finding 2025-003)**
Finding 2024-005: Fine-Related Fees During audit procedures, it was determined that the Town had not remitted all fees, fines, and court costs collected on behalf of other entities to the required entities.	**Status: Unresolved (See Finding 2025-004)**
SECTION II **MANAGEMENT LETTER**	
FINDINGS No Findings of this Nature	**RESPONSE** No Response Necessary

APPENDIX A

Statewide Agreed-Upon Procedures

Rozier McKay & Willis
CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the Town of Cheneyville and
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Town of Cheneyville (the Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2024 through June 30, 2025 The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

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

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

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

Rozier, McKay & Willis

Rozier, McKay & Willis
Certified Public Accountants
Alexandria, Louisiana
March 5, 2026

Written Policies and Procedures		
Agreed-Upon Procedure	**Results**	**Managements' Response**
1 Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories. • Budgeting • Purchasing • Disbursements • Receipts • Payroll/Personnel • Contracting • Credit Cards • Travel and expense reimbursements • Ethics • Debt Service • Disaster Recovery / Business Continuity • Sexual Harassment	The Town does not have any written policies and procedures on the following categories: • Budgeting • Purchasing • Disbursements • Receipts • Payroll/Personnel • Contracting • Credit Cards • Travel and expense reimbursements • Ethics • Debt Service • Disaster Recovery / Business Continuity • Sexual Harassment	***Due to the small size of our operation and limited staff, job duties are clearly understood despite the absence of written policies and procedures. We will consider whether adopting formal written policies and procedures would be beneficial.***

Board (or Finance Committee)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
2 Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:		
a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.	Although the board held monthly meetings, copies of the public meeting minutes for several open meetings could not be provided.	***In the future, we will ensure all copies of public meeting minutes can be provided upon request.***
b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*	The minutes did not include monthly budget-to-actual comparison every month	***The Town Clerk will begin providing Budget to Actual comparisons at each monthly meeting***
c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal	In the previous year, the general fund reported a positive unrestricted fund balance.	***The results did not include findings or criticism.***

Board (or Finance Committee)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.		
d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.	The Board did not receive written updates regarding the progress of resolving audit findings.	***In the future, we will provide written updates of the progress of resolving audit findings.***

Bank Reconciliations		
Agreed-Upon Procedure	**Results**	**Managements' Response**
3 Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:		
a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialled and dated, electronically logged);	There is no evidence of the bank reconciliations being prepared within 2 months of the related statement closing date.	***While all reconciliations were performed, in the future we will ensure that they are performed within two months of the related statement closing date.***
b) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialled and dated or electronically logged); and	There was no evidence that a member of management reviewed each bank reconciliation.	***While a member of management does review each bank reconciliation, we will document such review in the future.***
c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.	There is no documentation reflecting that management has researched reconciling items that have been outstanding for more than 12 months.	***In the future, we will ensure that all outstanding items will be researched on a regular basis.***

Collections (excluding EFTs)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
4 Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).	Deposits sites were limited to Town Hall.	***The results did not include findings or criticism.***
5 For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:		
a) Employees that are responsible for cash collections do not share cash drawers/registers.	There is only one employee responsible for collecting cash.	***The results did not include findings or criticism.***

Collections (excluding EFTs)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.	The employee responsible for collecting cash also prepares the deposit, but a separate employee reconciles collection documentation to the deposit.	***The results did not include findings or criticism.***
c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.	The employee responsible for collecting cash is not responsible for posting collection entries to the general ledger.	***The results did not include findings or criticism.***
d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.	The employee responsible for reconciling cash collections to the general ledger is not responsible for collecting cash.	***The results did not include findings or criticism.***
6 Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.	All Town Employees are covered by an employee dishonesty policy.	***The results did not include findings or criticism.***
7 Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day) . Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as		

Collections (excluding EFTs)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:		
a. Observe that receipts are sequentially pre-numbered.	Receipts were unavailable for inspection.	***In the future, we will make sure supporting documentation is available for all deposits.***
b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.	Receipts were unavailable for inspection.	***In the future, we will make sure supporting documentation is available for all deposits.***
c. Trace the deposit slip total to the actual deposit per the bank statement.	Receipts were unavailable for inspection.	***In the future, we will make sure supporting documentation is available for all deposits.***
d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100).	Receipts were unavailable for inspection.	***In the future, we will make sure supporting documentation is available for all deposits.***
e. Trace the actual deposit per the bank statement to the general ledger.	Deposits appearing on the bank statement agree with the general ledger.	***The results did not include findings or criticism.***

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
8 Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).	All payments are processed at Town Hall.	***The results did not include findings or criticism.***
9 For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:		
a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.	At least two employees are involved in initiating a purchase request.	***The results did not include findings or criticism.***
b) At least two employees are involved in processing and approving payments to vendors.	At least two employees are involved in processing and approving payments to vendors.	***The results did not include findings or criticism.***
c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.	The Town Clerk processes payments, but is not prohibited from adding/modifying vendor files. However, the Mayor periodically reviews changes to vendor files.	***The results did not include findings or criticism.***
d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail	The employee with signature responsibility is also responsible for mailing.	***Due to the small size of our staff, segregating the mailing function would not be practical or cost effective.***

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
who is not responsible for processing payments.		
10 For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:		
a. Observe that the disbursement matched the related original invoice/billing statement.	Disbursements selected for testing were not supported by the original invoice/billing statement.	***In the future, we will make sure that all documentation is available.***
b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.	No evidence of segregation of duties was available for inspection.	***In the future, we will make sure evidence of segregation of duties is available for all disbursements.***
11 Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no	While transactions were approved only by those persons authorized to disburse funds, approval by the required number of authorized signers were unavailable for review.	***In the future, we will make sure approval documentation is available for all electronic disbursements.***

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.		

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	**Results**	**Managements' Response**
12 Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.	The requested information was provided.	***The results did not include findings or criticisms.***
13 Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:		
a. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.	There was no documented evidence that monthly statements were reviewed or approved by someone other than the authorized card holder.	***In the future, we will make sure that statements have been reviewed and approved by someone other than the authorized card holder, and this review is documented.***
b. Observe that finance charges and late fees were not assessed on the selected statements.	There were no late fees assessed.	***The results did not include findings or criticisms.***

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	**Results**	**Managements' Response**
14 Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).	The Town's card activity is limited to fuel cards.	***The results did not include findings or criticisms.***

Travel and Expense Reimbursement		
Agreed-Upon Procedure	**Results**	**Managements' Response**
15 Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:		
a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).	None of the selected transactions were based upon a per diem. Supporting documentation was not available for one of the transactions.	***In the future, we will work to provide supporting documentation for all travel and expense reimbursements.***
b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.	For one of the selected transactions, supporting documentation was not available.	***In the future, we will work to provide supporting documentation for all travel and expense reimbursements.***
c. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).	Except the one that did not have supporting documentation, each of the selected transactions presented clear business purpose.	***In the future, we will work to provide supporting documentation for all travel and expense reimbursements.***
d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.	There was no evidence of review and approval by someone other than the recipient.	***In the future, we will ensure that someone, other than the recipient reviews and approves the reimbursements in writing.***

Contracts		
Agreed-Upon Procedure	**Results**	**Managements' Response**
16 Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:	An active vendor list was obtained.	***The results did not include findings or criticisms.***
a. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.	None of the contracts randomly selected were subject to the Public Bid Law.	***The results did not include findings or criticisms.***
b. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).	Two of the selected contracts were available for inspection.	***We will ensure that in the future, The Town retains copies of all contracts.***
c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.	None of the contracts randomly selected were amended.	***The results did not include findings or criticisms.***
d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.	Two of the selected invoices were available agree to the terms and conditions of the contracts available for inspection.	***In the future, we will ensure that all invoices and supporting documentation are available.***

Payroll and Personnel			
	Agreed-Upon Procedure	**Results**	**Managements' Response**
17	Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.	The selected employees paid salaries agreed to authorized salaries.	***The results did not include findings or criticisms.***
18	Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:		
	a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).	Documentation supporting the selected employee's daily attendance and leave was unavailable.	***In the future, we will ensure that all documentation is available.***
	b. Observe that supervisors approved the attendance and leave of the selected employees/officials.	There was no clear evidence that supervisors approved the attendance and leave of selected employees.	***In the future, we will ensure that supervisors document employee attendance and leave approvals.***
	c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.	Documentation supporting the selected employees' leave was unavailable.	***In the future, we will ensure that all documentation is available.***
19	Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination	None of the employees received termination payments during the fiscal period.	***The results did not include findings or criticisms.***

Payroll and Personnel		
Agreed-Upon Procedure	**Results**	**Managements' Response**
payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.		
20 Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.	Management has represented that not all required payroll taxes were paid, or forms filed. In addition, the Town is in a lawsuit with MPERS over potential obligations.	***We are working with our audit firm to identify a third-party payroll processing company to assist us in making these payments.***

Ethics		
Agreed-Upon Procedure	**Results**	**Managements' Response**
21 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:		
a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.	Documentation demonstrating each employee completed one hour of ethics training was unavailable.	***In the future, we will ensure that all employees complete the necessary training.***
b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.	The Town has not adopted a formal, written ethics policy.	***We will work towards adopted a formal, written ethics policy.***
22 Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.	The Town has not adopted an official ethics designee.	***We will appoint a Town employee or official to be the Town's ethics designee.***

Debt Service		
Agreed-Upon Procedure	**Results**	**Managements' Response**
23 Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.	No new debt was issued in the current year.	***The results did not include findings or criticisms.***
25 Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.	The Town was not in compliance with its debt covenants.	***In the future we will work to ensure that all debt covenants are met.***

Fraud Notice		
Agreed-Upon Procedure	**Results**	**Managements' Response**
23 Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.	No misappropriations were reported.	***The results did not include findings or criticisms.***
26 Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.	The entity posted the fraud notice at Town Hall.	***The results did not include findings or criticisms.***

Information Technology Disaster Recovery /Business Continuity			
	Agreed-Upon Procedure	**Results**	**Managements' Response**
27	Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**		
a.	Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.	We performed the procedure and discussed the results with management.	***The results did not include findings or criticisms.***
b.	Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.	We performed the procedure and discussed the results with management.	***The results did not include findings or criticisms.***
c.	Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.	We performed the procedure and discussed the results with management.	***The results did not include findings or criticisms.***
28	Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in	We performed the procedure and discussed the results with management.	***The results did not include findings or criticisms.***

Information Technology Disaster Recovery /Business Continuity		
Agreed-Upon Procedure	**Results**	**Managements' Response**
procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.		
29 Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267[1]. The requirements are as follows: 1. Hired before June 9, 2020 - completed the training; and 2. Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.	Documentation demonstrating each employee completed one hour of cybersecurity training was unavailable.	***In the future, we will ensure that all employees complete the necessary training.***

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

Sexual Harassment		
Agreed-Upon Procedure	**Results**	**Managements' Response**
30 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.	There was no documentation available demonstrating that any of the selected employees had completed sexual harassment training.	***In the future, we will ensure that all employees complete the necessary training.***
31 Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).	The Town has not adopted a formal, written sexual harassment policy.	***We will work on adopting, then posting a sexual harassment policy.***
32 Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344: a. Number and percentage of public servants in the agency who have completed the training requirements; b. Number of sexual harassment complaints received by the agency; c. Number of complaints which resulted in a finding that sexual harassment occurred; d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and e. Amount of time it took to resolve each complaint.	The Town did not produce an annual sexual harassment report.	***In the current year, we did not have any instances of sexual harassment reported to management. However, in the future, we will document this annually.***