

TOWN OF KILLIAN, LOUISIANA

Financial Statements with Supplementary Information

June 30, 2025

(With Independent Accountant's Review Report Thereon)

TOWN OF KILLIAN, LOUISIANA

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Independent Accountant's Review Report

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

We have reviewed the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Killian, Louisiana (the Town), as of and for the year ended 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

Accountant's Conclusion

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

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Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 25 to 27 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

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

Other Supplementary Information

The accompanying schedule of compensation, benefits, and other payments to agency head, schedule of compensation paid to board members, and justice system funding schedule - collecting / disbursing entity as required by Act 87 of the 2020 regular legislative session are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Griffin & Furman, LLC

December 30, 2025

Covington, Louisiana

TOWN OF KILLIAN, LOUISIANA

Statement of Net Position

June 30, 2025

(See Independent Accountant's Review Report)

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash	\$ 65,886	144,170	210,056
Receivables, net:			
Accounts receivable, net	-	4,989	4,989
Franchise taxes	23,718	-	23,718
Property taxes	723	-	723
Taxes on insurance premiums	8,514	-	8,514
Internal	31,817	-	31,817
Prepaid expenses	3,034	-	3,034
Capital assets, net	92,849	762,803	855,652
Total assets	\$ 226,541	911,962	1,138,503
<u>Liabilities and Net Position</u>			
Liabilities:			
Accounts payable	\$ 7,768	8,998	16,766
Payroll liabilities	24,293	-	24,293
Due to unclaimed property	1,634	-	1,634
Deferred revenues	78,239	-	78,239
Internal	-	31,817	31,817
Due to Livingston Parish	106,395	-	106,395
Total liabilities	218,329	40,815	259,144
Net Position:			
Net investment in capital assets	92,849	762,803	855,652
Unrestricted	(84,637)	108,344	23,707
Total net position	8,212	871,147	879,359
Total liabilities and net position	\$ 226,541	911,962	1,138,503

See accompanying notes to the financial statements.

TOWN OF KILLIAN, LOUISIANA

Statement of Activities

For the Year Ended June 30, 2025

(See Independent Accountant's Review Report)

Function/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 93,186	-	30,478	-	(62,708)	-	(62,708)
Police department	237,037	37,887	7,500	-	(191,650)	-	(191,650)
Streets department	6,799	-	-	-	(6,799)	-	(6,799)
Total governmental activities	<u>337,022</u>	<u>37,887</u>	<u>37,978</u>	<u>-</u>	<u>(261,157)</u>	<u>-</u>	<u>(261,157)</u>
Business-type activities:							
Waterworks	<u>171,845</u>	<u>113,398</u>	<u>-</u>	<u>30,683</u>	<u>-</u>	<u>(27,764)</u>	<u>(27,764)</u>
Total	<u>\$ 508,867</u>	<u>151,285</u>	<u>37,978</u>	<u>30,683</u>	<u>(261,157)</u>	<u>(27,764)</u>	<u>(288,921)</u>
		General Revenues:					
				96,612	-	96,612	
				116,295	-	116,295	
				29,110	-	29,110	
				3,813	-	3,813	
				307	-	307	
				<u>246,137</u>	<u>-</u>	<u>246,137</u>	
				(15,020)	(27,764)	(42,784)	
				<u>23,232</u>	<u>898,911</u>	<u>922,143</u>	
				<u>\$ 8,212</u>	<u>871,147</u>	<u>879,359</u>	

See accompanying notes to the financial statements.

TOWN OF KILLIAN, LOUISIANA

Governmental Fund

Balance Sheet

June 30, 2025

(See Independent Accountant's Review Report)

	<u>General Fund</u>
<u>Assets</u>	
Cash	\$ 65,886
Receivables, net:	
Franchise taxes	23,718
Property taxes	723
Taxes on insurance premiums	8,514
Due from waterworks fund	31,817
Prepaid expenses	<u>3,034</u>
 Total assets	 \$ <u><u>133,692</u></u>
<u>Liabilities and Fund Balance</u>	
Liabilities:	
Accounts payable	\$ 7,768
Payroll liabilities	24,293
Due to unclaimed property	1,634
Deferred revenues	<u>78,239</u>
 Total liabilities	 111,934
Fund Balance:	
Nonspendable	3,034
Unassigned	<u>18,724</u>
 Total fund balance	 <u>21,758</u>
 Total liabilities and fund balance	 \$ <u><u>133,692</u></u>

See accompanying notes to the financial statements.

TOWN OF KILLIAN, LOUISIANA

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

June 30, 2025

(See Independent Accountant's Review Report)

Total Governmental Fund Balance	\$	21,758
 Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		92,849
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		<u>(106,395)</u>
Total Net Position of Governmental Activities	\$	<u><u>8,212</u></u>

See accompanying notes to the financial statements.

TOWN OF KILLIAN, LOUISIANA

Governmental Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

For the Year Ended June 30, 2025

(See Independent Accountant's Review Report)

	General Fund
Revenues:	
Taxes:	
Property taxes	\$ 96,612
Franchise taxes	116,295
License, permits, and fees	3,813
Taxes on insurance premiums	29,110
Intergovernmental	3,300
Fines and forfeitures	37,887
Miscellaneous	307
Grants	<u>34,678</u>
Total revenues	<u>322,002</u>
Expenditures:	
General government	89,510
Police department	227,840
Streets department	6,799
Debt service - principal	<u>2,000</u>
Total expenditures	<u>326,149</u>
Deficiency of revenues over expenditures	<u>(4,147)</u>
Net change in fund balance	(4,147)
Fund balance, beginning of period	<u>25,905</u>
Fund balance, end of period	<u><u>\$ 21,758</u></u>

See accompanying notes to the financial statements.

TOWN OF KILLIAN, LOUISIANA

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

For the Year Ended June 30 , 2025

(See Independent Accountant's Review Report)

Net change in fund balance - governmental fund	\$	(4,147)
 Amounts reported for governmental activities in the Statement of Activities are different because:		
 Governmental funds report capital outlays as expenditures; however, in the Statement of Activities, the cost of those assets is capitalized and depreciated and / or amortized when applicable. This is the amount by which depreciation and amortization exceeded capital outlays		(12,873)
 Payment of debt principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position		<u>2,000</u>
 Change in net position of governmental activities	\$	<u><u>(15,020)</u></u>

See accompanying notes to the financial statements.

TOWN OF KILLIAN, LOUISIANA

Proprietary Fund

Statement of Net Position

June 30, 2025

(See Independent Accountant's Review Report)

		<u>Waterworks Fund</u>
<u>Assets</u>		
Cash	\$	144,170
Accounts receivable, net		<u>4,989</u>
Total current assets		149,159
Capital assets, net		<u>762,803</u>
Total assets		\$ <u><u>911,962</u></u>
<u>Liabilities and Net Position</u>		
Liabilities:		
Accounts payable	\$	8,998
Due to general fund		<u>31,817</u>
Total liabilities		40,815
Net Position:		
Net investment in capital assets		762,803
Unrestricted		<u>108,344</u>
Total net position		<u>871,147</u>
Total liabilities and net position		\$ <u><u>911,962</u></u>

See accompanying notes to the financial statements.

TOWN OF KILLIAN, LOUISIANA

Proprietary Fund

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2025

(See Independent Accountant's Review Report)

	Waterworks Fund	
	<hr/>	
Operating revenues:		
Water sales	\$ 105,591	
Safe drinking water fees	4,102	
Connection fees	3,350	
Other	355	
Total revenues	<hr/>	113,398
Operating expenses:		
Contract labor	15,725	
Repairs and maintenance	32,755	
Salaries and benefits	22,211	
Chlorine	15,865	
Insurance	6,259	
Legal and professional	10,152	
Miscellaneous	2,384	
Safe drinking water fees	3,694	
Office expense	3,213	
Utilities	7,672	
Depreciation	59,564	
Total expenses	<hr/>	179,494
Operating loss		(66,096)
Nonoperating revenues and expenses:		
Capital grants	38,332	
Total nonoperating revenues and expenses	<hr/>	38,332
Decrease in net position		(27,764)
Net position, beginning of period		898,911
Net position, end of period		\$ 871,147

See accompanying notes to the financial statements.

TOWN OF KILLIAN, LOUISIANA

Proprietary Fund

Statement of Cash Flows

For the Year Ended June 30, 2025

(See Independent Accountant's Review Report)

	<u>Waterworks</u>	
	<u>Fund</u>	
Cash flows from operating activities:		
Received from customers	\$ 122,638	
Payments to suppliers	(92,835)	
Payments to employees	(22,211)	
Net cash provided by operating activities		7,592
Cash flows from capital and related financing activities:		
Purchases of capital assets	(1,881)	
Proceeds from capital grants	38,332	
Net change in due to / from general fund	6,776	
Net cash provided by capital and related financing activities		43,227
Net increase in cash		50,819
Cash at beginning of year		93,351
Cash at end of year		\$ 144,170
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (66,096)	
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	59,564	
Decrease in receivables	9,240	
Increase in accounts payable	4,884	
Net cash provided by operating activities		\$ 7,592

See accompanying notes to the financial statements.

TOWN OF KILLIAN, LOUISIANA

Notes to the Financial Statements

June 30, 2025

(1) Introduction

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

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

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

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

(2) Summary of Significant Accounting Policies

(a) Financial Reporting Entity

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

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

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

TOWN OF KILLIAN, LOUISIANA

Notes to the Financial Statements

June 30, 2025

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

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

(b) Government-Wide and Fund Financial Statements

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

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

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

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

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

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

TOWN OF KILLIAN, LOUISIANA

Notes to the Financial Statements

June 30, 2025

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

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

The Town reports the following major governmental fund:

General Fund:

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

The Town reports the following major proprietary fund:

Waterworks Fund:

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

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

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

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

TOWN OF KILLIAN, LOUISIANA

Notes to the Financial Statements

June 30, 2025

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

(d) Deposits

Cash includes cash on hand and amounts in demand deposit accounts. Cash equivalents include amounts with original maturities of ninety days or less. Under state law, the Town may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The Town did not have any cash equivalents at June 30, 2025.

(e) Receivables

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

(f) Interfund Receivables/Payables

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

(g) Capital Assets

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

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

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

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

TOWN OF KILLIAN, LOUISIANA

Notes to the Financial Statements

June 30, 2025

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

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

(h) Compensated Absences

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

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the governmental fund when leave is actually taken. There are no accumulated and vested benefits relating to vacation or sick leave at June 30, 2025.

(i) Long-Term Obligations

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

(j) Restricted Net Position

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

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

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

TOWN OF KILLIAN, LOUISIANA

Notes to the Financial Statements

June 30, 2025

(k) Fund Equity and Net Position

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

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

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

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

- *Nonspendable* – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The Town did not have any nonspendable fund balance at June 30, 2025.
- *Restricted* – This classification includes amounts in which the use of resources is constrained either by (a) external impositions by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposition by law through constitutional provisions or enabling legislation. The Town did not have any restricted fund balance at June 30, 2025.
- *Committed* – This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by the Board of Aldermen. These amounts cannot be used for any other purpose unless the Board of Aldermen removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual

TOWN OF KILLIAN, LOUISIANA

Notes to the Financial Statements

June 30, 2025

obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town did not have any committed resources as of June 30, 2025.

- *Assigned* – This classification includes spendable amounts that are reported in governmental fund other than the General Fund, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by the Board of Aldermen who has the authority to assign amounts to be used for specific purposes. The Town did not have any assigned resources as of June 30, 2025.
- *Unassigned* – This classification is the residual fund balance for the General Fund. It also represents a fund balance that has been assigned to other funds and that has not been restricted, committed, or assigned to a specific purpose within the General Fund. The Town's General Fund balance at June 30, 2025.

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

(l) Estimates

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

(m) Interfund Transactions

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

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

(n) Elimination and Reclassifications

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

TOWN OF KILLIAN, LOUISIANA

Notes to the Financial Statements

June 30, 2025

(o) Property Taxes

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

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

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

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

(p) New Accounting Pronouncements

In June 2022, the GASB issued Statement No. 101, *Compensated Absences* effective for fiscal years beginning after December 15, 2023. The objective of the Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for reporting on outstanding compensated absences. The implementation of this standard did not require any changes to the Town's financial reporting requirements.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*, effective for fiscal years beginning after June 15, 2024, which the Town implemented in fiscal year ending June 30, 2025. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. The implementation of this standard did not require any changes to the Town's financial reporting requirements.

(3) Stewardship, Compliance, and Accountability

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

The budget was adopted on December 23, 2024.

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

TOWN OF KILLIAN, LOUISIANA

Notes to the Financial Statements

June 30, 2025

(4) Cash

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

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

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

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

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

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

The year end balances of deposits are as follows:

	Bank Balances Category			Book
	1	2	3	Balance
Demand deposits	<u>\$ 218,903</u>	<u>-</u>	<u>-</u>	<u>210,056</u>

(5) Receivables

The Waterworks Fund accounts receivable of \$4,989 at June 30, 2025, consist of the following:

Water receivables	\$ 8,082
Allowance for bad debts	<u>(3,093)</u>
Total	<u>\$ 4,989</u>

(6) Property Taxes

For the year ended June 30, 2025, taxes of 7.79 mills were levied on property with assessed valuations totaling \$15,710,166. Total taxes levied were \$96,612.

TOWN OF KILLIAN, LOUISIANA

Notes to the Financial Statements

June 30, 2025

(7) Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2025 for governmental activities is as follows:

	<u>Balance July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2025</u>
<u>Governmental Activities Capital Assets:</u>				
Capital assets, not being depreciated:				
Land	\$ 49,200	-	-	49,200
Total capital assets not being depreciated	49,200	-	-	49,200
Capital assets, being depreciated:				
Buildings	84,553	-	-	84,553
Land improvements	26,000	-	-	26,000
Equipment	75,238	-	-	75,238
Police vehicles	148,370	-	-	148,370
Police equipment	73,613	-	-	73,613
Office equipment	16,841	-	-	16,841
Total capital assets being depreciated	424,615	-	-	424,615
Less accumulated depreciation for:				
Buildings	(63,468)	(2,376)	-	(65,844)
Land improvements	(10,400)	(1,300)	-	(11,700)
Equipment	(75,238)	-	-	(75,238)
Police vehicles	(129,090)	(6,583)	-	(135,673)
Police equipment	(73,057)	(2,614)	-	(75,671)
Office equipment	(16,840)	-	-	(16,840)
Total accumulated depreciation	(368,093)	(12,873)	-	(380,966)
Total capital assets being depreciated, net	56,522	(12,873)	-	43,649
Total Governmental Activities capital assets, net	\$ 105,722	(12,873)	-	92,849

Depreciation expense was charged to the following activities:

General government	\$ 3,676
Police department	9,197
Total	\$ 12,873

Capital assets and depreciation activity as of and for the year ended June 30, 2025 for business-type activities is as follows:

TOWN OF KILLIAN, LOUISIANA

Notes to the Financial Statements

June 30, 2025

	<u>Balance July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2025</u>
<u>Business-Type Activities Capital Assets:</u>				
Capital assets, being depreciated:				
Water system	\$ 1,666,901	1,881	-	1,668,782
Machinery and equipment	64,353	-	-	64,353
Office equipment	1,058	-	-	1,058
Total capital assets being depreciated	1,732,312	1,881	-	1,734,193
Less accumulated depreciation for:				
Water system	(886,455)	(56,785)	-	(943,240)
Machinery and equipment	(24,313)	(2,779)	-	(27,092)
Office equipment	(1,058)	-	-	(1,058)
Total accumulated depreciation	(911,826)	(59,564)	-	(971,390)
Total capital assets being depreciated, net	820,486	(57,683)	-	762,803
Total Business-Type Activities capital assets, net	\$ 820,486	(57,683)	-	762,803

Depreciation expense of \$59,564 was charged to the business-type activity.

(8) Interfund Receivables and Payables

Balances due to/from other funds at June 30, 2025 consists of the following to subsidize operations:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 31,817	-
Waterworks Fund	-	31,817
Total	\$ 31,817	31,817

(9) Repayment Agreement with Livingston Parish Council

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

As a result of the cost, the Town passed a resolution on June 14, 2022, to enter into a repayment agreement with the Parish of Livingston. The Town agreed to make payments of \$2,000 per month until the balance has been paid in full. During the year ended June 30, 2025, the Town

TOWN OF KILLIAN, LOUISIANA

Notes to the Financial Statements

June 30, 2025

made payments totaling \$2,000 toward this repayment agreement. At June 30, 2025, the Town owes the Parish of Livingston \$106,395.

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

Year Ending <u>June 30,</u>	
2026	\$ 66,000
2027	24,000
2028	<u>16,395</u>
Total	<u>\$ 106,395</u>

(10) Risk Management

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

(11) Litigation

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

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

(12) Subsequent Events

The Town evaluated subsequent events through December 30, 2025, the date which the financial statements were available to be issued.

The Town completed the sale of the Town's water system to Magnolia Water Utility Operating Company (the Company) on December 29, 2025. The Company currently operates multiple water and wastewater systems in the Southern United States. This will allow the Company to integrate the Town's water system efficiently and ensure compliance with state and federal regulations.

TOWN OF KILLIAN, LOUISIANA

Notes to the Financial Statements

June 30, 2025

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

TOWN OF KILLIAN, LOUISIANA

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

For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
Revenues:				
Taxes				
Property taxes	\$ 125,700	125,700	96,612	(29,088)
Franchise taxes	119,100	119,100	116,295	(2,805)
Licenses, permits, and fees	4,000	4,000	3,813	(187)
Taxes on insurance premiums	25,600	25,600	29,110	3,510
Intergovernmental	3,600	3,600	3,300	(300)
Fines and forfeitures	50,000	50,000	37,887	(12,113)
Miscellaneous	2,900	2,900	307	(2,593)
Grants	180,000	180,000	34,678	(145,322)
Total revenues	510,900	510,900	322,002	(188,898)
 Expenditures:				
General government	140,980	140,980	89,510	51,470
Police department	249,420	249,420	227,840	21,580
Streets department	69,100	69,100	6,799	62,301
Debt service - principal	12,000	12,000	2,000	10,000
Total expenditures	471,500	471,500	326,149	145,351
 Excess of revenues over expenditures	39,400	39,400	(4,147)	(43,547)
 Net change in fund balance	39,400	39,400	(4,147)	(43,547)
 Fund balance, beginning of year	167,415	69,829	25,905	
 Fund balance, end of year	\$ 206,815	109,229	21,758	

TOWN OF KILLIAN, LOUISIANA

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

For the Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
General Government:				
Advertising and printing	\$ 3,200	3,200	1,551	1,649
Assessor's fees	1,200	1,200	1,236	(36)
Bank charges	300	300	371	(71)
Building and ground maintenance	4,020	4,020	9,301	(5,281)
Capital outlays	2,000	2,000	-	2,000
Computer programs and software	5,100	5,100	3,813	1,287
Copier rental	1,200	1,200	343	857
Coroner's office	100	100	250	(150)
Dues and subscriptions	2,200	2,200	2,709	(509)
Election expense	-	-	385	(385)
Emergency preparedness	2,500	2,500	-	2,500
Grant writer	1,500	1,500	-	1,500
Insurance	10,800	10,800	12,182	(1,382)
IT services	2,400	2,400	-	2,400
Janitorial expense	1,500	1,500	1,325	175
Legal and professional	32,200	32,200	13,735	18,465
Miscellaneous	1,000	1,000	1,440	(440)
Office supplies	2,100	2,100	2,388	(288)
Payroll taxes	3,100	3,100	(103)	3,203
Permit fees	100	100	50	50
Postage	1,500	1,500	712	788
Refunds			359	(359)
Salaries	48,160	48,160	23,832	24,328
Telephone	3,600	3,600	4,073	(473)
Training, workshops, and seminars	1,000	1,000	-	1,000
Travel	400	400	-	400
Unemployment	200	200	101	99
Uniforms	900	900	120	780
Utilities	8,500	8,500	9,337	(837)
Worker's compensation	200	200	-	200
Total general government expenditures	\$ 140,980	140,980	89,510	51,470

TOWN OF KILLIAN, LOUISIANA

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

For the Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
Police Department:				
Auto fuel	\$ 11,600	11,600	20,156	(8,556)
Capital outlays	61,500	61,500	5,117	56,383
Collection fees	1,100	1,100	1,188	(88)
Computers	2,200	2,200	-	2,200
Dues and subscriptions	200	200	-	200
Employee testing	300	300	325	(25)
Insurance	14,700	14,700	2,785	11,915
Law enforcement fees	3,000	3,000	812	2,188
Legal and professional	16,200	16,200	1,050	15,150
Miscellaneous	3,400	3,400	1,500	1,900
Office supplies	900	900	2,146	(1,246)
Payroll taxes	6,000	6,000	12,494	(6,494)
Repairs and maintenance	3,200	3,200	15,881	(12,681)
Salaries	115,020	115,020	139,357	(24,337)
Supplies	2,300	2,300	5,781	(3,481)
Telephone and utilities	1,700	1,700	4,546	(2,846)
Training	300	300	120	180
Travel	800	800	-	800
Uniforms	1,000	1,000	8,165	(7,165)
Web page	-	-	1,064	(1,064)
Workers compensation	4,000	4,000	5,353	(1,353)
Total police department expenditures	<u>\$ 249,420</u>	<u>249,420</u>	<u>227,840</u>	<u>21,580</u>
			-	
Streets Department:				
Capital outlays	64,000	64,000		64,000
Fuel	100	100	301	(201)
Insurance			98	(98)
Payroll taxes	600	600		600
Repairs and maintenance	1,000	1,000	5,802	(4,802)
Street signs and speed bumps	2,800	2,800	352	2,448
Street lights	600	600	246	354
Total streets department expenditures	<u>\$ 69,100</u>	<u>69,100</u>	<u>6,799</u>	<u>(1,699)</u>

TOWN OF KILLIAN, LOUISIANA

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

For the Year Ended June 30, 2025

Agency Head Name: Ronald Sharp

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Reimbursements	<u>23</u>
	<u>\$ 23</u>

TOWN OF KILLIAN, LOUISIANA

Schedule of Compensation Paid to Board Members

For the Year Ended June 30, 2025

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

TOWN OF KILLIAN, LOUISIANA

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

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 (i.e. cash on hand)	\$ -	-
Add: Collections		
Civil fees	-	-
Bond fees	-	-
Asset forfeiture / sale	-	-
Pre-trial diversion program fees	-	-
Criminal court costs / fees	-	-
Criminal fines - contempt	-	-
Criminal fines - other	18,997	17,904
Restitution	-	-
Probation / parole supervision fees	-	-
Service / collection fees	-	-
Interest earnings on collected balances	-	-
Other	-	-
	18,997	17,904
Subtotal collections	18,997	17,904
Less: Disbursements to Governments and Non-Profits		
Treasury State of Louisiana CMIS	56	21
DHH Traumatic Head and Spinal Cord Injury Trust	-	-
Judicial Administration, Supreme Court	-	-
Louisiana Commission on Law Enforcement	530	15
Less: Amounts Retained by Collecting Agency		
Collection fee for collecting / disbursing to others - %	-	-
Collection fee for collecting / disbursing to others - fixed fee	-	-
Amounts "self-disbursed" to collecting agency - other	18,411	17,868
Less: Disbursements to Individuals / 3rd Party Collection or Processing Agencies		
Civil fee refunds	-	-
Bond fee refunds	-	-
Restitution payments to individuals	-	-
Other disbursements to individuals	-	-
Payments to 3rd party collection / processing agencies	-	-
	18,997	17,904
Subtotal disbursements / retainage	18,997	17,904
Ending balance of amounts collected but no disbursed / retained (i.e. cash on hand)	\$ -	-

TOWN OF KILLIAN, LOUISIANA

Schedule of Findings

For the Year Ended June 30, 2025

Finding 2025-1 - Lack of Internal Controls over Capital Assets

Criteria:

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

Condition:

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

Cause:

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

Effect:

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

Recommendation:

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

Finding 2025-2 - Lack of Internal Controls over Traffic Tickets

Criteria:

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

Condition:

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

Cause:

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

Effect:

There is inadequate recordkeeping and accounting for traffic tickets.

Recommendation:

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

Finding 2025-3 - Lack of Internal Controls over Justice System Funding Collections and Payments

Criteria:

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

TOWN OF KILLIAN, LOUISIANA

Schedule of Findings

For the Year Ended June 30, 2025

Condition:

Sufficient records were not available to accurately determine justice system related amounts that had been collected and remitted during the year ended June 30, 2025.

Cause:

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

Effect:

The Town likely has funds that are due to various agencies at June 30, 2025 but those amounts could not accurately be determined. As a result, the Justice System Funding Schedule accompanying the financial statements is not entirely accurate.

Recommendation:

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

Finding 2025-4 – Local Government Budget Act

Criteria:

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

Condition:

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

Cause:

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

Effect:

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

Recommendation:

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

Finding 2025-5 – Lack of Internal Controls over Property Tax Cash Receipts

Criteria:

The Town should maintain effective internal controls over property tax collections to ensure that all cash receipts are properly recorded and that related accounts receivable balances are timely relieved in the property tax sub-ledger. Adequate controls include timely posting of payments, routine reconciliations, and supervisory review to ensure accuracy and completeness of accounting records.

TOWN OF KILLIAN, LOUISIANA

Schedule of Findings

For the Year Ended June 30, 2025

Condition:

The Town issued collection letters for prior-year uncollected property taxes. As a result, several taxpayers remitted payment in cash. There were several instances in which cash receipts received were not relieved from the property tax sub-ledger, resulting in outstanding balances remaining on taxpayer accounts despite payment having been received.

Cause:

The condition resulted from inadequate procedures and lack of supervisory review to ensure that cash receipts are properly and timely posted to the property tax sub-ledger.

Effect:

Failure to timely relieve the property tax sub-ledger for cash receipts may result in inaccurate taxpayer account balances and an overstatement of property tax receivables. In addition, this condition increases the risk that duplicate collection efforts may occur and that errors or irregularities may not be detected in a timely manner.

Recommendation:

The Town should strengthen internal controls over property tax collections by implementing procedures to ensure that all cash receipts are promptly and accurately posted to the property tax sub-ledger. Management should also perform regular reconciliations between cash receipts and the sub-ledger and document supervisory review of these reconciliations.

TOWN OF KILLIAN, LOUISIANA

Status of Prior Year Findings

For the Year Ended June 30, 2024

Finding 2024-1 – Lack of Supporting Documentation for Expenses

Criteria:

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

Condition:

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

Cause:

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

Effect:

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

Recommendation:

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

Management Corrective Action:

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

Status:

Resolved.

Finding 2024-2 - Inadequate Segregation of Duties

Criteria:

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

Condition:

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

Cause:

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

Effect:

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

TOWN OF KILLIAN, LOUISIANA

Status of Prior Year Findings

For the Year Ended June 30, 2024

Recommendation:

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

Management Corrective Action:

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

Status:

Resolved.

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

Criteria:

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

Condition:

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

Cause:

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

Effect:

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

Recommendation:

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

Management Corrective Action:

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

Status:

Unresolved. See finding 2025-1.

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

Criteria:

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

Condition:

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

TOWN OF KILLIAN, LOUISIANA

Status of Prior Year Findings

For the Year Ended June 30, 2024

Cause:

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

Effect:

There is inadequate recordkeeping and accounting for traffic tickets.

Recommendation:

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

Management Corrective Action:

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

Status:

Unresolved. See finding 2025-2.

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

Criteria:

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

Condition:

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

Cause:

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

Effect:

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

Recommendation:

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

TOWN OF KILLIAN, LOUISIANA

Status of Prior Year Findings

For the Year Ended June 30, 2024

Management Corrective Action:

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

Status:

Unresolved. See finding 2025-3.

Finding 2024-6 - Financial Statements

Criteria:

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

Condition:

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

Cause:

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

Effect:

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

Recommendation:

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

Management Corrective Action:

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

Status:

Resolved.

Finding 2024-7 – Local Government Budget Act

Criteria:

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

Condition:

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

TOWN OF KILLIAN, LOUISIANA

Status of Prior Year Findings

For the Year Ended June 30, 2024

Cause:

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

Effect:

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

Recommendation:

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

Management Corrective Action:

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

Status:

Unresolved. See finding 2025-4.

Finding 2024-8 – Ethics

Criteria:

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

Condition:

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

Cause:

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

Effect:

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

Recommendation:

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

Management Corrective Action:

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

Status:

Resolved.

MAYOR
Caleb Atwell

TOWN OF KILLIAN
Livingston Parish, Louisiana
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killiantownhall@eatel.net

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

December 30, 2025

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

Re: Fiscal Year 2025 Schedule of Findings

Dear Mr. Furman,

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

Finding 2025-1 – Lack of Internal Controls over Capital Assets:

Criteria:

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

Condition:

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

Cause:

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

Effect:

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

Recommendation:

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

Management Corrective Action:

LPSO and new chief recently conducted an inventory. We expect administrative inventory to be completed by 6/30/2026

Finding 2025-2 – Lack of Internal Controls over Traffic Tickets:

Criteria:

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

Condition:

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

Cause:

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

Effect:

There is inadequate recording keeping and accounting for traffic tickets.

Recommendation:

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

Management Corrective Action:

Town of Killian has signed a CEA with Livingston Parish Sherrif's office. We believe that this resolves this finding.

Finding 2025-3 - Lack of Internal Controls over Justice System Funding Collections and Payments:

Criteria:

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

Condition:

Sufficient records were not available to accurately determine justice system related amounts that had been collected and remitted during the year ended June 30, 2025.

Cause:

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

Effect:

The Town likely has funds that are due to various agencies at June 30, 2025 but those amounts could not accurately be determined. As a result, the Justice System Funding Schedule accompanying the financial statements is not entirely accurate.

Recommendation:

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

Management Corrective Action:

Town of Killian has signed a CEA with Livingston Parish Sherrif's office. We believe that this resolves this finding.

Finding 2025-4 – Local Government Budget Act

Criteria:

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

Condition:

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

Cause:

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

Effect:

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

Recommendation:

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

Management Corrective Action:

Management agrees with the finding new mayor and board will ensure that old budget will be amended and adopted on time.

Finding 2025-5 – Lack of Internal Controls over Property Tax Cash Receipts

Criteria:

The Town should maintain effective internal controls over property tax collections to ensure that all cash receipts are properly recorded and that related accounts receivable balances are timely relieved in the property tax sub-ledger. Adequate controls include timely posting of payments, routine reconciliations, and supervisory review to ensure accuracy and completeness of accounting records.

Condition:

The Town issued collection letters for prior-year uncollected property taxes. As a result, several taxpayers remitted payment in cash. There were several instances in which cash receipts received were not relieved from the property tax sub-ledger, resulting in outstanding balances remaining on taxpayer accounts despite payment having been received.

Cause:

The condition resulted from inadequate procedures and lack of supervisory review to ensure that cash receipts are properly and timely posted to the property tax sub-ledger.

Effect:

Failure to timely relieve the property tax sub-ledger for cash receipts may result in inaccurate taxpayer account balances and an overstatement of property tax receivables. In addition, this condition increases the risk that duplicate collection efforts may occur and that errors or irregularities may not be detected in a timely manner.

Recommendation:

The Town should strengthen internal controls over property tax collections by implementing procedures to ensure that all cash receipts are promptly and accurately posted to the property tax sub-ledger. Management should also perform regular reconciliations between cash receipts and the sub-ledger and document supervisory review of these reconciliations.

Management Corrective Action:

We have signed a cooperative endeavor agreement with Livingston Parish Sherriff's Office to handle collection of property taxes. Killian's portion of ad valorem property taxes will now be included with the yearly parish bills that are sent.

Sincerely,



Caleb Atwell
Mayor



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

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

Michael R. Choate, CPA

American Society of Certified Public Accountants
Society of Louisiana CPAs

Independent Accountant's Report on Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below on the Town of Killian, Louisiana's compliance with certain laws and regulations contained in the Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2025, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Town of Killian, Louisiana's management is responsible for its financial records and compliance with applicable laws and regulations.

The Town of Killian, Louisiana (the Town) 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 Town's compliance with the laws and regulations contained in the Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Public Bid Law

- 1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$60,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1755 (the state procurement code), R.S. 38:2211-2296 (the public bid law), or the regulations of the Division of Administration and the State Purchasing Office, whichever is applicable; and report whether the expenditures were made in accordance with these laws.**

Results: Not applicable. There were no expenditures made during the year for materials and supplies exceeding \$60,000 nor any public works exceeding \$250,000.

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Covington, LA 70433
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Phone: (225) 292-7434
Fax: (225) 293-3651

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

Code of Ethics for Public Officials and Public Employees

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

Results: Management provided us with the requested information.

3. Obtain a list of all employees paid during the fiscal year.

Results: Management provided us with the requested information.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

Results: None of the employees' names appeared on both lists obtained in Procedures 2 and 3.

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Results: None of the businesses of board members employees, and board members' and employees' immediate families appeared on vendors lists of disbursements.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

Results: Management provided us with the requested information.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

Results: Procedure performed without exception.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total).

Results: Actual revenues failed to meet budgeted revenues by 37%.

Corrective Action: The Mayor and Board will ensure that budgets are passed in a timely manner and financial discussion will take place at the regularly scheduled board meetings.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and: (a) report whether the six disbursements agree to the amount and payee in the supporting documentation, (b) report whether the six disbursements are coded to the correct fund and general ledger account, and (c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

Results: None of the six selected disbursements were approved in accordance with management's policies and procedures.

Corrective Action: The Mayor and Town Clerks will adopt procedures to ensure that the Mayor's approval is properly documented.

Meetings

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

Results: Agendas for meetings were posted or advertised as requested by R.S. 42:11 through 42:48.

Debt

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

Results: We scanned all deposit slips for the fiscal year and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

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

Results: We scanned the payroll disbursements and meeting minutes and found no payments or approval of payments to employees that would constitute bonuses, advances, or gifts.

State Audit Law

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

Results: The agency provided for a timely report in accordance with R.S. 24:513.

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

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

Prior-Year Comments

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

Results: Not applicable.

We were engaged by the Town 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 the standards applicable to *Government Auditing Standards* issued by the United States Comptroller General. 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 the Town's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Town 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 the Town's compliance with certain laws and regulations contained in the Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 25:513 and the *Louisiana Governmental Audit Guide*, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Griffin & Furman, LLC

December 30, 2025

Covington, Louisiana