

**CITY OF GRAMBLING,
LOUISIANA**

Annual Financial Statements

December 31, 2023



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Independent Auditor's Report

To the Honorable Alvin R. Bradley, Sr., Mayor
and Members of the City Council
City of Grambling, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Grambling, Louisiana (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the City as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 - 12 and the budgetary comparison information presented as Schedules I and II be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in the 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 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining statements of non-major governmental funds, the schedule of insurance coverage, the utility rate schedules, the schedule of compensation paid to Council Members, the schedule of compensation, benefits, and other payments to the Mayor, and the justice system funding schedule - collecting/disbursing entity are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

This supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements of non-major governmental funds, the schedule of insurance coverage, the utility rate schedules, the schedule of compensation paid to Council Members, the schedule of compensation, benefits, and other payments to the Mayor, and the justice system funding schedule - collecting/disbursing entity are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2024 on our consideration of the City'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 solely 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 the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Baton Rouge, LA
June 20, 2024

**REQUIRED SUPPLEMENTARY INFORMATION (PART I)
MANAGEMENT'S DISCUSSION AND ANALYSIS**

CITY OF GRAMBLING, LOUISIANA

Management's Discussion and Analysis

As management of the City of Grambling, Louisiana (the City), we offer readers this narrative overview and financial analysis of the financial activities of the City as of December 31, 2023, and for the year then ended.

Financial Highlights

- The City's total assets and deferred outflows, combined, exceed its total liabilities and deferred inflows, combined, at December 31, 2023 and 2022 by \$5,043,124 and \$5,130,721 (*net position*), respectively.
- Total net position of the City is comprised of the following:
 - 1) Net investment in capital assets includes all capital assets, net of accumulated depreciation and reduced for outstanding debt related to the purchase or construction of capital assets. Net investment in capital assets was \$4,041,729 and \$3,999,317 at December 31, 2023 and 2022, respectively.
 - 2) Restricted net position represents the portion restricted by dedicated millages and bond covenants which totaled \$359,189 at December 31, 2023 and \$230,313 at December 31, 2022.
 - 3) Unrestricted net position represents the remain resources that may be used to meet the City's ongoing obligations to its citizens and creditors. Unrestricted net position was \$624,231 and \$901,091 at December 31, 2023 and 2022, respectively.
- For the year ended December 31, 2023, the City reported a \$87,597 decrease in net position, compared to a \$469,186 increase for the year ended December 31, 2022. Details of contributing factors to the change are included later within this analysis.
- The City's governmental funds reported combined ending fund balances of \$455,760 at December 31, 2023, an decrease from prior year's combined ending fund balances of \$659,641. These fund balances were comprised of restricted and unassigned fund balances.
- At December 31, 2023, unassigned fund balance for the General Fund was \$(56,021). The deficit unassigned fund balance results from payables to other funds at year-end due to collections running through the General Fund.
- The City's total long-term liabilities at December 31, 2023 were \$2,351,826, down from \$2,504,606 in 2022. Long-term liabilities consist of bonds and notes payable and compensated absences. See Note 10 in the notes to the financial statements for more detailed information about long-term liabilities.

CITY OF GRAMBLING, LOUISIANA

Management's Discussion and Analysis

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of the following components:

1. Government-Wide Financial Statements
2. Fund Financial Statements
3. Notes to Financial Statements

This report also contains other required supplementary information.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide an overview of the City's finances in a manner similar to private-sector business. The statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues ("governmental activities") from functions that are intended to recover all or a significant portion of their costs through user fees and charges ("business-type activities"). Governmental activities include services provided to the public, such as law enforcement and public safety, health and sanitation, road construction and maintenance, community planning and development, parks and recreation, and economic development. Other general government services provided include tax collection and the issuance of permits and licenses. Business-type activities provided to the City include water and sewer utility services.

The government-wide statements reflect all of the City's assets (including capital assets) and all of the City's liabilities. The two government-wide financial statements are as follows:

- *Statement of Net Position:* This statement presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
- *Statement of Activities:* This statement presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future periods, such as revenues pertaining to uncollected taxes, unpaid vendor invoices, and employee earned but not used vacation time. This statement separates program revenue (revenue generated by specific programs through charges for services, grants, and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program).

CITY OF GRAMBLING, LOUISIANA

Management's Discussion and Analysis

Fund Financial Statements

A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The City uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. The City has two types of funds:

- *Governmental Funds:* These funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The City's major governmental funds are the General Fund and the Health and Sanitation Special Revenue Fund.
- *Proprietary Funds:* These funds are used to account for activities that function in a manner similar to commercial enterprises. 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. The City's major proprietary fund is the Utilities Maintenance Fund.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements directly follow the proprietary fund financial statements.

Required Supplementary Information (RSI)

This section contains budgetary comparison schedules for the major general and special revenue funds, presented in annual format.

Other Supplementary Information

These schedules are presented for additional analysis and not a required component of the basic financial statements. Other supplementary information schedules include:

- Combining Balance Sheet - Non-Major Governmental Funds
- Combining Statement of Revenues, Expenditures, and Changes in Fund Balance Non-Major Governmental Funds
- Schedule of Insurance Coverage
- Utility Rate Schedules
- Schedule of Compensation Paid to Council Members
- Schedule of Compensation, Benefits, and Other Payments to the Mayor
- Schedule of Justice System Funding - Collecting/Disbursing

CITY OF GRAMBLING, LOUISIANA

Management's Discussion and Analysis

Government-Wide Financial Analysis

Net Position Analysis

Net position may serve over time as a useful indicator of a government's financial position. The bulk of the City's net position is comprised of net investment in capital assets, representing 80% of total net position. Net investment in capital assets consists of land, infrastructure, buildings, and equipment, less accumulated depreciation and any outstanding debt used to acquire those assets. The City has elected not to retroactively record, as capital assets, its infrastructure that existed prior to adopting Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

Restricted net assets represents resources that are subject to external restrictions on how they may be used, such as user deposits. The remaining balance of unrestricted net assets of \$15,682 may be used to meet the City's ongoing obligations to citizens and creditors.

The following is a condensed version of the City's government-wide statement of net position.

	Governmental Activities	Business-Type Activities	2023	2022
Assets				
Current and Other Assets	\$ 1,109,347	\$ 2,548,242	\$ 3,657,589	\$ 3,713,729
Nondepreciable Capital Assets	244,402	393,768	638,170	738,385
Depreciable Capital Assets, Net	1,786,255	3,728,388	5,514,643	5,526,477
Total Assets	3,140,004	6,670,398	9,810,402	9,978,591
Liabilities				
Current and Other Liabilities	658,032	486,644	1,144,676	846,382
Long-Term Liabilities	168,628	2,003,544	2,172,172	2,321,725
Total Liabilities	826,660	2,490,188	3,316,848	3,168,107
Deferred Inflows of Resources	-	1,450,430	1,450,430	1,679,763
Net Position				
Net Investment in Capital Assets	1,920,498	2,121,231	4,041,729	3,999,317
Restricted	377,164	-	377,164	230,313
Unrestricted	15,682	608,549	624,231	901,091
Total Net Position	\$ 2,313,344	\$ 2,729,780	\$ 5,043,124	\$ 5,130,721

Changes in Net Position Analysis

The City's total change in net position during the year ended December 31, 2023 was a decrease of \$87,597, compared to an increase of \$469,186 in 2022. Total revenues decreased by \$760,310 in 2023 from 2022, mostly due to a decrease in grants and property taxes.

CITY OF GRAMBLING, LOUISIANA

Management's Discussion and Analysis

Total expenses decreased by \$203,527 in 2023 from 2022. The City's expenses cover a range of services, the largest three of which were for general government, public safety, and utility enterprise (30%, 31%, and 27% of total expenses, respectively).

The following is a condensed version of the City's government-wide statement of activities.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues						
Charges for Services	\$ 156,365	\$ 166,323	\$ 1,303,377	\$ 1,245,700	\$ 1,459,742	\$ 1,412,023
Operating Grants	59,988	84,337	-	-	59,988	84,337
Capital Grants and Contributions	98,859	163,673	329,333	477,680	428,192	641,353
General Revenues						
Property Taxes	491,726	915,671	62,836	90,154	554,562	1,005,825
Sales Taxes	1,292,104	1,153,757	-	-	1,292,104	1,153,757
Licenses and Permits	109,043	90,250	-	-	109,043	90,250
Franchise Fees and Taxes	95,440	100,461	-	-	95,440	100,461
Fines and Forfeitures	262,567	382,507	-	-	262,567	382,507
Interest Income	469	184	68,952	461	69,421	645
Intergovernmental Revenue	64,353	21,957	-	-	64,353	21,957
Miscellaneous	114,598	258,644	1,772	120,333	116,370	378,977
Total Revenues	2,745,512	3,337,764	1,766,270	1,934,328	4,511,782	5,272,092
Expenses						
General Government	1,400,861	1,257,839	-	-	1,400,861	1,257,839
Public Safety	1,442,673	1,273,151	-	-	1,442,673	1,273,151
Health and Sanitation	342,203	174,360	-	-	342,203	174,360
Parks and Recreation	39,230	57,052	-	-	39,230	57,052
Public Works	85,634	427,118	-	-	85,634	427,118
Economic Development	33,937	166,010	-	-	33,937	166,010
Interest on Long-Term Debt	3,290	3,543	-	-	3,290	3,543
Utility Enterprise	-	-	1,251,551	1,443,833	1,251,551	1,443,833
Total Expenses	3,347,828	3,359,073	1,251,551	1,443,833	4,599,379	4,802,906
Change in Net Position Before Transfers	(602,316)	(21,309)	514,719	490,495	(87,597)	469,186
Transfers In (Out)	118,405	(37,859)	(118,405)	37,859	-	-
Change in Net Position	(483,911)	(59,168)	396,314	528,354	(87,597)	469,186
Net Position, Beginning of Year	2,797,255	2,856,423	2,333,466	1,805,112	5,130,721	4,661,535
Net Position, End of Year	\$ 2,313,344	\$ 2,797,255	\$ 2,729,780	\$ 2,333,466	\$ 5,043,124	\$ 5,130,721

CITY OF GRAMBLING, LOUISIANA

Management’s Discussion and Analysis

Financial Analysis of the City’s Funds

The City’s General Fund had a decrease in fund balance of \$324,847 for the year ended December 31, 2023. The City’s Health and Sanitation Special Revenue Fund had a decrease in fund balance of \$13,861 for the year ended December 31, 2023. Total governmental fund amounts are different from governmental activities due to capital assets, depreciation of capital assets, and deferred inflows and outflows of resources.

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

Budget Highlights

As required by law, the City adopts a budget annually for its General Fund and major Special Revenue Fund. The City amended its General and major Special Revenue Fund Budgets for the year ended December 31, 2023 to reflect changes in expected revenues and expenditures which were not anticipated prior to the beginning of the year.

Capital Asset Administration

A summary of the City’s net investment in capital asset at December 31, 2023 and 2022 follows.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Total Capital Assets	\$ 4,452,493	\$ 4,699,116	\$ 11,271,152	\$ 11,085,234	\$ 15,723,645	\$ 15,784,350
Less: Accumulated Depreciation	2,421,836	2,549,051	7,148,996	6,970,437	9,570,832	9,519,488
Net Capital Assets	\$ 2,030,657	\$ 2,150,065	\$ 4,122,156	\$ 4,114,797	\$ 6,152,813	\$ 6,264,862

Total capital assets, net of accumulated depreciation, decreased by \$112,049 in 2023 from 2022, primarily due to retirement and disposal of assets no longer in use and depreciation, which both exceeded additions. Capital assets of the City include land, buildings, infrastructure, vehicles, furniture and equipment, and infrastructure and equipment for the water and sewer systems. Net capital assets also includes construction in progress of \$344,586 at December 31, 2023, compared to \$444,801 at December 31, 2022. Additions to capital assets during the year ended December 31, 2023 mainly consisted of improvements to the wastewater collection and treatment system and expansion of the Community Center.

Debt Administration

At December 31, 2023, the City had total bonded debt outstanding of \$2,256,084. 95% of this was attributable to business-type activity bonds outstanding and 5% to governmental fund bonds outstanding. The City’s total bonded debt outstanding decreased by \$150,461 due to principal payments made. There were no new bonds issued in 2023.

CITY OF GRAMBLING, LOUISIANA

Management's Discussion and Analysis

Economic Factors and Next Year's Budget

Our elected and appointed officials consider many factors when setting the City's budget and tax rates. One of the most important factors affecting the City's budget are property and sales tax collections. Property and sales tax collections made up more than 72% of general revenues in 2023. Major plans for 2024 include continued improvements to infrastructure with the assistance of state and federal grant funding. Management of the City strives to continuously improve the City's financial condition through restriction of expenditures and increasing revenues through economic development initiatives.

Requests for Information

This financial report is designed to provide a general overview of the City's finances. Questions concerning this report or the need for additional information should be directed to Alvin R. Bradley, Mayor, at the City of Grambling, P.O. Box 108, Grambling, Louisiana 71245, telephone number (318) 247-6120.

**BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

CITY OF GRAMBLING, LOUISIANA
Statement of Net Position
December 31, 2023

Statement A

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 741,440	\$ 1,585,008	\$ 2,326,448
Accounts Receivables, Net	367,204	152,118	519,322
Prepaid Expenses	-	1,484	1,484
Due from Other Funds	-	507,090	507,090
Inventory	703	-	703
Restricted Cash and Cash Equivalents	-	302,542	302,542
Capital Assets Not Being Depreciated			
Land	244,402	49,182	293,584
Construction in Progress	-	344,586	344,586
Depreciable Capital Assets, Net	1,786,255	3,728,388	5,514,643
Total Assets	3,140,004	6,670,398	9,810,402
Liabilities			
Accounts Payable	74,345	139,129	213,474
Accrued and Other Liabilities	53,112	13,052	66,164
Accrued Interest Payable	2,777	10,656	13,433
Customer Deposits	-	164,861	164,861
Due to Other Funds	507,090	-	507,090
Long-Term Liabilities			
Due in One Year			
Compensated Absences	10,986	13,946	24,932
Bonds and Notes Payable	9,722	145,000	154,722
Due in More than One Year			
Compensated Absences	68,191	2,619	70,810
Bonds and Notes Payable	100,437	2,000,925	2,101,362
Total Liabilities	826,660	2,490,188	3,316,848
Deferred Inflows of Resources			
Unused Grant Revenues	-	1,450,430	1,450,430
Total Deferred Inflows of Resources	-	1,450,430	1,450,430
Net Position			
Net Investment in Capital Assets	1,920,498	2,121,231	4,041,729
Restricted	377,164	-	377,164
Unrestricted Net Position	15,682	608,549	624,231
Total Net Position	\$ 2,313,344	\$ 2,729,780	\$ 5,043,124

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

CITY OF GRAMBLING, LOUISIANA
Statement of Activities
For the Year Ended December 31, 2023

Statement B

Functions / Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Operating		Capital	Governmental Activities	Business-Type Activities	Total
		Charges for Services	Grants and Contributions	Grants and Contributions			
Governmental Activities							
General Government	\$ 1,400,861	\$ -	\$ -	\$ -	\$ (1,400,861)	\$ -	\$ (1,400,861)
Public Safety	1,442,673	-	59,988	-	(1,382,685)	-	(1,382,685)
Health and Sanitation	342,203	156,365	-	-	(185,838)	-	(185,838)
Parks and Recreation	39,230	-	-	98,859	59,629	-	59,629
Public Works	85,634	-	-	-	(85,634)	-	(85,634)
Economic Development	33,937	-	-	-	(33,937)	-	(33,937)
Interest on Long-Term Debt	3,290	-	-	-	(3,290)	-	(3,290)
Total Governmental Activities	3,347,828	156,365	59,988	98,859	(3,032,616)	-	(3,032,616)
Business-Type Activities							
Utility Enterprise	1,251,551	1,303,377	-	329,333	-	381,159	381,159
Total Business-Type Activities	1,251,551	1,303,377	-	329,333	-	381,159	381,159
Total	\$ 4,599,379	\$ 1,459,742	\$ 59,988	\$ 428,192	(3,032,616)	381,159	(2,651,457)
General Revenues							
Taxes							
Property Taxes					491,726	62,836	554,562
Sales Taxes					1,292,104	-	1,292,104
Licenses and Permits					109,043	-	109,043
Franchise Fees and Taxes					95,440	-	95,440
Fines and Forfeitures					262,567	-	262,567
Interest Income					469	68,952	69,421
Intergovernmental Revenues					64,353	-	64,353
Miscellaneous					114,598	1,772	116,370
Transfers In (Out)					118,405	(118,405)	-
Total General Revenues and Transfers					2,548,705	15,155	2,563,860
Change in Net Position					(483,911)	396,314	(87,597)
Net Position, Beginning of Year					2,797,255	2,333,466	5,130,721
Net Position, End of Year					\$ 2,313,344	\$ 2,729,780	\$ 5,043,124

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

**BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUNDS**

CITY OF GRAMBLING, LOUISIANA
Balance Sheet
Governmental Funds
December 31, 2023

Statement C

	General Fund	Special Revenue Funds		Total Governmental Funds
		Health and Sanitation	Non-Major Special Revenue Funds	
Assets				
Cash and Cash Equivalents	\$ 337,435	\$ 52,844	\$ 351,161	\$ 741,440
Property Taxes Receivable, Net	204,260	-	-	204,260
Sales Taxes Receivable, Net	60,553	28,755	26,003	115,311
Other Receivables, Net	38,553	9,080	-	47,633
Interfund Receivables	-	109,585	24,904	134,489
Inventory	703	-	-	703
Total Assets	\$ 641,504	\$ 200,264	\$ 402,068	\$ 1,243,836
Liabilities and Fund Balances				
Liabilities				
Accounts Payable, General	\$ 70,469	\$ 3,876	\$ -	\$ 74,345
Accrued and Other Liabilities	49,385	3,327	-	52,712
Interfund Payables	558,231	58,444	24,904	641,579
Total Liabilities	678,085	65,647	24,904	768,636
Deferred Inflows of Resources				
Property Tax Revenues	19,440	-	-	19,440
Total Deferred Inflows of Resources	19,440	-	-	19,440
Fund Balances				
Restricted	-	134,617	377,164	511,781
Unassigned	(56,021)	-	-	(56,021)
Total Fund Balances	(56,021)	134,617	377,164	455,760
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 641,504	\$ 200,264	\$ 402,068	\$ 1,243,836

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

CITY OF GRAMBLING, LOUISIANA
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
December 31, 2023

Statement D

Fund Balances - Total Governmental Funds	\$ 455,760
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Amounts reported for governmental activities in the Statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:

Governmental Capital Assets	4,452,493
Less: Accumulated Depreciation	(2,421,836)

Deferred inflows of resources - unavailable ad valorem taxes are not reported on government-wide financial statements	19,040
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Compensated Absences	(79,177)
Bonds Payable	(110,159)
Interest Payable	<u>(2,777)</u>

Net Position of Governmental Activities	<u><u>\$ 2,313,344</u></u>
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The accompanying notes are an integral part of these financial statements.

CITY OF GRAMBLING, LOUISIANA
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

Statement E

	General Fund	Special Revenue Funds		Total Governmental Funds
		Health and Sanitation	Non-Major Special Revenue Funds	
Revenues				
Property Taxes	\$ 656,878	\$ -	\$ -	\$ 656,878
Sales Taxes	701,453	321,603	269,048	1,292,104
Franchise Fees and Taxes	95,440	-	-	95,440
Charges for Services	-	156,365	-	156,365
Licenses and Permits	109,043	-	-	109,043
Intergovernmental Revenues	223,200	-	-	223,200
Fines and Forfeitures	262,567	-	-	262,567
Interest Income	1	149	319	469
Miscellaneous	59,888	54,710	-	114,598
Total Revenues	2,108,470	532,827	269,367	2,910,664
Expenditures				
General Government	1,330,691	-	-	1,330,691
Public Safety	1,392,742	-	-	1,392,742
Health and Sanitation	-	338,818	-	338,818
Parks and Recreations	2,778	-	-	2,778
Public Works	33,047	-	-	33,047
Economic Development	17	-	33,920	33,937
Debt Service				
Principal	-	9,461	-	9,461
Interest and Service Charges	-	3,290	-	3,290
Capital Outlay				
General Government	88,186	-	-	88,186
Total Expenditures	2,847,461	351,569	33,920	3,232,950
(Deficiency) Excess of Revenues Over Expenditures	(738,991)	181,258	235,447	(322,286)
Other Financing Sources (Uses)				
Transfers In	933,203	268,082	-	1,201,285
Transfers Out	(519,059)	(463,201)	(100,620)	(1,082,880)
Total Other Financing Sources (Uses), Net	414,144	(195,119)	(100,620)	118,405
Net Change in Fund Balances	(324,847)	(13,861)	134,827	(203,881)
Fund Balances, Beginning of Year	268,826	148,478	242,337	659,641
Fund Balances, End of Year	\$ (56,021)	\$ 134,617	\$ 377,164	\$ 455,760

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

CITY OF GRAMBLING, LOUISIANA
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2023

Statement F

Net Change in Fund Balances - Total Governmental Funds	\$ (203,881)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives through depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.</p>	(119,408)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>	(165,152)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>	9,461
<p>The following expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:</p>	
<p>Compensated Absences</p>	(5,169)
<p>Accrued Interest</p>	238
	(4,931)
Change in Net Position of Governmental Activities	<u>\$ (483,911)</u>

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

**BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS
PROPRIETARY FUNDS**

CITY OF GRAMBLING, LOUISIANA
Statement of Net Position
Proprietary Funds
December 31, 2023

Statement G

Assets

Current Assets

Cash and Cash Equivalents	\$ 1,585,008
Accounts Receivable, Net	152,118
Prepaid Expenses	1,484
Interfund Receivable	<u>507,090</u>

Total Current Assets	<u>2,245,700</u>
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Restricted Assets

Restricted Cash and Cash Equivalents	
Customer Deposits	123,985
Bond Sinking Fund	101,373
Revenue Bonds	72,184
Construction	<u>5,000</u>

Total Restricted Assets	<u>302,542</u>
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Long-Term Assets

Capital Assets at Cost	
Land	49,182
Buildings and Improvements	242,106
Water/Sewer System	9,499,303
Automotive and Equipment	1,135,975
Less: Accumulated Depreciation	<u>(7,148,996)</u>
Total Capital Assets, Net	3,777,570
Construction in Progress	<u>344,586</u>

Total Long-Term Assets	<u>4,122,156</u>
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Total Assets	<u><u>\$ 6,670,398</u></u>
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The accompanying notes are an integral part of these financial statements.

CITY OF GRAMBLING, LOUISIANA
Statement of Net Position (Continued)
Proprietary Funds
December 31, 2023

Statement G

Liabilities	
Current Liabilities	
Accounts Payable	\$ 139,129
Accrued and Other Liabilities	13,052
Compensated Absences, Current Portion	<u>13,946</u>
Total Current Liabilities	<u>166,127</u>
Current Liabilities (Payable from Restricted Assets)	
Accrued Interest Payable	10,656
Revenue Bonds Payable, Current Portion	145,000
Customer Deposits	<u>164,861</u>
Total Current Liabilities (Payable from Restricted Assets)	<u>320,517</u>
Non-Current Liabilities	
Revenue Bonds, Net of Current Portion	1,115,925
State Revolving Loans, Net of Current Portion	885,000
Compensated Absences, Net of Current Portion	<u>2,619</u>
Total Non-Current Liabilities	<u>2,003,544</u>
Total Liabilities	<u>2,490,188</u>
Deferred Inflows of Resources	
Deferred Grant Revenue	<u>1,450,430</u>
Total Deferred Inflows of Resources	<u>1,450,430</u>
Net Position	
Net Investment in Capital Assets	2,121,231
Unrestricted Net Position	<u>608,549</u>
Total Net Position	<u><u>\$ 2,729,780</u></u>

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

CITY OF GRAMBLING, LOUISIANA
Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2023

Statement H

Operating Revenues	
Charges for Services	
Water Sales	\$ 445,401
Water Connection Charges	4,984
Sewer Fees	<u>852,992</u>
Total Operating Revenues	<u>1,303,377</u>
Operating Expenses	
Salaries and Benefits	169,955
Materials and Supplies	20,066
Operating Costs	671,233
Professional Services	24,400
Other Services and Charges	50,251
Depreciation	<u>273,027</u>
Total Operating Expenses	<u>1,208,932</u>
Operating Income	<u>94,445</u>
Non-Operating Revenues (Expenses)	
Miscellaneous	1,772
Interest Income	68,952
Ad Valorem Tax Revenues	62,836
Intergovernmental Revenues	329,333
Interest Expense	<u>(42,619)</u>
Total Non-Operating Revenues (Expenses), Net	<u>420,274</u>
Net Income Before Transfers	514,719
Transfers In (Out)	<u>(118,405)</u>
Change in Net Position	396,314
Net Position, Beginning of Year	<u>2,333,466</u>
Net Position, End of Year	<u><u>\$ 2,729,780</u></u>

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

CITY OF GRAMBLING, LOUISIANA
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

Statement I

Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 1,313,462
Payments to Suppliers	(736,407)
Payments to Employees	<u>(178,142)</u>
Net Cash Provided by Operating Activities	<u>398,913</u>
Cash Flows from Non-Capital Financing Activities	
Property Tax Receipts	75,855
Other Cash Receipts	1,772
Interfund Borrowings	(264,816)
Transfers to Other Funds	<u>(118,405)</u>
Net Cash Used in Non-Capital Financing Activities	<u>(305,594)</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition and Construction of Capital Assets	(280,386)
Capital Grants Received	100,000
Principal Paid on Debt	(141,000)
Interest Paid on Capital Debt	<u>(48,885)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(370,271)</u>
Cash Flows from Investing Activities	
Interest Earned	<u>68,952</u>
Net Cash Provided by Investing Activities	<u>68,952</u>
Net Decrease in Cash and Cash Equivalents	(208,000)
Cash and Cash Equivalents, Beginning of Year	<u>2,095,550</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,887,550</u></u>

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

CITY OF GRAMBLING, LOUISIANA
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2023

Statement I

Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	\$ 94,445
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	273,027
Changes in Assets and Liabilities	
Decrease in Accounts Receivable, Net	(285)
Increase in Accounts Payable	29,543
Decrease in Accrued and Other Liabilities	(699)
Increase in Customer Deposits	10,370
Decrease in Compensated Absences	<u>(7,488)</u>
Net Cash Provided by Operating Activities	<u>\$ 398,913</u>
Recap of Cash and Cash Equivalents	
Cash and Cash Equivalents	\$ 1,585,008
Restricted Cash and Cash Equivalents	<u>302,542</u>
Total Cash and Cash Equivalents	<u>\$ 1,887,550</u>

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

NOTES TO FINANCIAL STATEMENTS

CITY OF GRAMBLING, LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The City of Grambling, Louisiana (the City) was incorporated in 1959 under the provisions of the Lawrason Act of the constitution of the State of Louisiana. The City is located in Lincoln Parish and has a population of approximately 4,693. The City is governed by the Mayor and a five-member City Council. The Mayor and Council Members serve four-year terms.

The City's basic financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The City's basic financial statements also conform to the requirements of Louisiana Revised Statute (R.S.) 21:513 and to the guidelines set forth in the *Louisiana Government Audit Guide*, as well as to the industry and audit guide, *Audits of State and Local Governmental Units*. The more significant accounting policies established by GAAP and used by the City are discussed below.

Reporting Entity

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

- The organization is legally separate (can sue and be sued in its own name)
- The City holds the corporate powers of the organization
- The City appoints a voting majority of the organization's board
- The City is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the City
- There is fiscal dependency by the organization on the City

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

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. 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.

CITY OF GRAMBLING, LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Government-Wide Financial Statements (Continued)

In the government-wide statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts: net investment in capital assets, restricted net position, and unrestricted net position.

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.

Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Separate fund financial statements are provided for the City's governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

The focus of governmental funds' measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The City reports these major governmental funds:

General Fund - The General Fund is the general operating fund of the City. This fund is used to account for all financial transactions and resources, except those that are required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, fines and forfeitures, state and federal distributions, licenses, permits, charges for services, and interest income.

Health and Sanitation Fund - The Health and Sanitation Fund is used to account for the operations of the City's garbage collection services.

The focus of proprietary funds' measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The City reports the following major proprietary fund:

Maintenance Enterprise Fund - The Maintenance Enterprise Fund accounts for the operations of the City's sewer and water systems.

CITY OF GRAMBLING, LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Both governmental and business-type activities in 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 when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally 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, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and 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 City.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as program revenues include (1) 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, fines and forfeitures, licenses and permits, and other general revenues.

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. Operating revenues for the City's proprietary funds consist of charges to customers and users of its water and sewer services. Operating expenses for the City's proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

CITY OF GRAMBLING, LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Budgets and Budgetary Accounting

At the beginning of each fiscal year, an annual budget is prepared on a basis consistent with generally accepted accounting principles for all major governmental funds. At the end of the fiscal year, unexpended appropriations of these funds automatically lapse.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) The Mayor, City Council, and other advisory personnel assemble the necessary financial information.
- b) The proposed budget is made available for public inspection.
- c) A public hearing is held for any recommendations or changes to the budget. The budget is legally adopted through passage of an ordinance by the City Council.

The City does not utilize encumbrance accounting. Budgets are amended as necessary throughout the year.

Cash, Cash Equivalents, and Investments

For the purpose of the proprietary fund statement of cash flows, all highly liquid investments (including certificates of deposit) with original maturities of three months or less are considered cash equivalents.

Cash and cash equivalents include amounts in demand deposits. Under state law, the City may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Cash and cash equivalents consist of cash, as defined above, including restricted cash. Investments are limited by R.S. 33:2955 and the City's investment policy. The City's investment policy does not address interest rate risk or credit risk. Short-term investments are stated at amortized cost, which approximates market. Certain investments, as required by GASB Statement No. 31, as amended by GASB Statement No. 72, are reported at fair value, which is determined using published market prices.

Capital Assets

Capital assets, which include property, plant, 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 acquisition value at the date of donation. The City maintains a threshold level of \$1,000 or more for capitalizing assets.

CITY OF GRAMBLING, LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives is not capitalized.

Capital outlays are recorded as expenditures of the General Fund and Special Revenue Funds in the governmental fund financial statements and as assets in the government-wide financial statements, to the extent the City's capitalization threshold is met. In accordance with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, the City has elected not to capitalize infrastructure retroactively. Depreciation is recorded on general capital assets on a government-wide basis. Capital outlays of the proprietary funds are recorded as capital assets and depreciated over their estimated useful lives on both the fund basis and the government-wide basis.

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

Description	Estimated Lives
Buildings	40 Years
Concrete Block Buildings	20 Years
Equipment	8 Years
Vehicles	5 Years
Sewer System and Lines	20 Years
Water System and Lines	20 Years

Long-Term Debt

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

CITY OF GRAMBLING, LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Compensated Absences

Full-time employees are allotted 40 hours of annual leave after one year of employment, 80 hours of annual leave after two years of employment, 120 hours of annual leave after five years of employment, and 160 hours of annual leave after 10 years of employment. Annual leave can be accumulated up to 240 hours, the maximum amount which the City shall pay out upon resignation, retirement, or termination, computed at the employee's rate of pay upon time of separation. The City measures and recognizes compensated absence liability in accordance with GASB Statement No. 16.

All full-time employees are allotted 80 hours of sick time annually after three months of employment, which may be accumulated up to 480 hours. Unused sick time is not paid out upon resignation, retirement, or termination.

Restricted Assets

Certain grants received by the City contain restrictions on spending. In the Maintenance Enterprise Fund, cash and investments are restricted for debt service payments, maintenance on the sewer system, and customer deposits payable.

Property Taxes

The City levies property taxes on real and business property located within the City's boundaries. Property taxes are levied by the City on property values assessed by the Lincoln Parish Tax Assessor and approved by the State of Louisiana Tax Commission. The Lincoln Parish Tax Assessor prepares tax statements for the City.

Property taxes attach as an enforceable lien on property as of December 31st. Taxes are levied and billed in October of each year and are due and payable on or before December 31st. The City recognizes property tax revenues when levied, to the extent that they are determined to be collectible.

The following is a summary of authorized and levied property taxes as December 31, 2023:

Category	Authorized Millage	Levied Millage	Expiration Date
Capital Outlay/General Alimony	6.50	6.33	Statutory
Fire Protection	16.97	16.97	2029
Police Department	4.48	4.48	2029
Public Improvement	9.13	9.13	2029
Public Streets	5.30	5.30	2029
Water System	5.14	5.00	2026
Total Levy	47.52	47.21	

CITY OF GRAMBLING, LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Sales Taxes

Sales taxes are collected by the Lincoln Parish Sales and Use Tax Commission and by the Lincoln Parish Police Jury. The City's sales tax is 2.25%. The revenues collected by the Lincoln Parish Sales and Use Tax Commission is for general operating expenses of the City. The revenues collected by the Lincoln Parish Police Jury is dedicated to Health and Sanitation. There is an additional 0.75% sales tax in the Legend's Square Taxing District, which is retail development in the City of Grambling. These funds are placed in a bank account at the Bank of Ruston to be disbursed to the Developer of the Project as debt service for the cost of the project, minus a 10% administrative fee that is deposited in the City's General Fund account.

Accounts Receivable

Balances between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/due from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Uncollectible amounts due for customers' utility receivables and ad valorem taxes are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The combined allowance was \$126,105 at December 31, 2023.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

The governmental funds of the City report unavailable revenues from property taxes and grants. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

CITY OF GRAMBLING, LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Equity

In the government-wide statements and proprietary fund statements, equity is classified as net position and displayed in three components:

1. *Net Investment in Capital Assets* - Consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. *Restricted* - Consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. Restricted net assets reported on Statement A are the result of enabling legislation.
3. *Unrestricted* - All other net position is reported in this category.

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

1. *Restricted Fund Balance* - Amounts that can be spent only for specific purposes because of the City Charter, the City Code, state or federal laws, or externally imposed conditions by grantors, creditors, or citizens.
2. *Unassigned Fund Balance* - All amounts not included in other spendable classifications.

A deficit unassigned fund balance of \$56,021 exists in the General Fund at December 31, 2023. The deficit results from balances payable to other funds due to collections for such funds running through the General Fund.

Interfund Transactions

Permanent re-allocation of resources between funds of the City is classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of 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.

CITY OF GRAMBLING, LOUISIANA

Notes to Financial Statements

Note 2. Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and the Health and Sanitation Special Revenue Fund. All annual appropriations lapse at fiscal year-end. The City was not in compliance with the Local Budget Act at December 31, 2022. See Note 1 for the procedures the City follows regarding budgets and budgetary accounting. For the year ended December 31, 2023, actual expenditures of the General Fund of \$2,968,029 exceeded budgeted amounts of \$2,323,000 resulting in an unfavorable variance of \$645,029 or 28% and actual expenditures of the Health and Sanitation fund of \$351,569 exceeded budgeted amounts of \$140,748 resulting in an unfavorable variance of \$210,821 or 149%.

Deposit and Investment Laws and Regulations

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. At December 31, 2023, the City was in compliance with the deposit and investment laws and regulations at one of its banks but collateral was deficient at one of its banks.

Note 3. Cash and Cash Equivalents

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be recovered. The City's deposit policy for custodial credit risk is that all uninsured deposits be collateralized by pledged securities as required by state law.

As of December 31, 2023, \$1,734,799 of the City's deposit balance of \$2,616,508 was exposed to custodial credit risk. However, these deposits were secured from risk by the pledge of securities owned by the fiscal agent bank.

CITY OF GRAMBLING, LOUISIANA

Notes to Financial Statements

Note 4. Receivables

Net receivables at December 31, 2023 were as follows:

	General Fund	Health and Sanitation Fund	Non-Major Governmental Funds	Proprietary Fund	Total
Taxes					
Property	\$ 204,260	\$ -	\$ -	\$ 26,453	\$ 230,713
Sales and Use	60,553	28,755	26,003	-	115,311
Intergovernmental Revenue					
Charges for Services	-	15,926	-	130,452	146,378
Other	38,553	-	-	-	38,553
Gross Receivables	303,366	44,681	26,003	156,905	530,955
Less: Allowance for Doubtful Accounts		(6,846)	-	(4,787)	(11,633)
Total	\$ 303,366	\$ 37,835	\$ 26,003	\$ 152,118	\$ 519,322

Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Note 5. Interfund Assets and Liabilities

Individual balances within the fund financial statements due from or to other major funds at December 31, 2023 are as follows:

	Due From	Due To
General Fund		
Utility Maintenance Fund	\$ -	\$ 448,646
Health and Sanitation Fund	-	109,585
Utility Maintenance Fund		
General Fund	448,646	-
Health and Sanitation Fund	58,444	-
Health and Sanitation Fund		
General Fund	109,585	58,444
Utility Maintenance fund	-	-
Total All Funds	\$ 616,675	\$ 616,675

The interfund receivables are the result of bills being paid by one fund for another and are expected to be repaid within the next 12 months.

CITY OF GRAMBLING, LOUISIANA

Notes to Financial Statements

Note 6. Accrued and Other Liabilities

Accrued and other liabilities consisted of the following at December 31, 2023:

	General Fund	Health and Sanitation Fund	Utilities Maintenance Fund	Total
Wages Payable	\$ 33,932	\$ 2,746	\$ 5,492	\$ 42,170
Sales Tax Payable	-	-	7,560	7,560
Payroll Deductions Payable	13,123	-	-	13,123
Deposits	2,330	581	164,861	167,772
Total	\$ 49,385	\$ 3,327	\$ 177,913	\$ 230,625

Note 7. Capital Assets

The following is a summary of the changes in capital assets for the year ended December 31, 2023:

	Balance January 1, 2023	Increases	Decreases	Balance December 31, 2023
Governmental Activities				
Capital Assets Not Depreciated				
Construction in Progress	\$ 195,045	\$ -	\$ (195,045)	\$ -
Land	244,402	-	-	244,402
Total Capital Assets Not Depreciated	439,447	-	(195,045)	244,402
Capital Assets Being Depreciated				
Building and Improvements	1,877,835	283,231	-	2,161,066
Furniture and Equipment	1,532,104	-	(334,809)	1,197,295
Infrastructure	849,730	-	-	849,730
Total Capital Assets Being Depreciated	4,259,669	283,231	(334,809)	4,208,091
Accumulated Depreciation for:				
Building and Improvements	845,651	57,366	-	903,017
Furniture and Equipment	1,287,083	97,317	(334,809)	1,049,591
Infrastructure	416,317	52,911	-	469,228
Total Accumulated Depreciation	2,549,051	207,594	(334,809)	2,421,836
Total Capital Assets Being Depreciated, Net	1,710,618	75,637	-	1,786,255
Total Capital Assets, Net	\$ 2,150,065	\$ 75,637	\$ (195,045)	\$ 2,030,657

CITY OF GRAMBLING, LOUISIANA

Notes to Financial Statements

Note 7. Capital Assets (Continued)

	Balance January 1, 2023	Increases	Decreases	Balance December 31, 2023
Business-Type Activities				
Capital Assets Not Depreciated				
Construction in Progress	\$ 249,756	\$ 241,230	\$ (146,400)	\$ 344,586
Land	49,182	-	-	49,182
Total Capital Assets Not Depreciated	298,938	241,230	(146,400)	393,768
Capital Assets Being Depreciated				
Buildings and Improvements	242,106	-	-	242,106
Sewage Plant	7,266,220	185,556	-	7,451,776
Water System	2,047,527	-	-	2,047,527
Water/Sewer Equipment	1,194,997	-	(59,022)	1,135,975
Vehicles	35,446	-	(35,446)	-
Total Capital Assets Being Depreciated	10,786,296	185,556	(94,468)	10,877,384
Accumulated Depreciation for:				
Buildings and Improvements	239,369	1,098	-	240,467
Sewage Plant	3,674,836	244,801	-	3,919,637
Water System	1,825,788	27,129	-	1,852,917
Water/Sewer Equipment	1,194,997	-	(59,022)	1,135,975
Vehicles	35,447	-	(35,447)	-
Total Accumulated Depreciation	6,970,437	273,028	(94,469)	7,148,996
Total Capital Assets Being Depreciated, Net	3,815,859	(87,472)	1	3,728,388
Total Capital Assets, Net	\$ 4,114,797	\$ 153,758	\$ (146,399)	\$ 4,122,156

Depreciation charged to governmental and business-type functions was as follows for the year ended December 31, 2023:

Governmental Activities		Business-Type Activities	
General	\$ 61,353	Sewer	\$ 244,803
Public Safety	53,088	Water	28,225
Health and Sanitation	4,144		
Public Works	52,587	Total	\$ 273,028
Culture and Recreation	36,422		
Total	\$ 207,594		

CITY OF GRAMBLING, LOUISIANA

Notes to Financial Statements

Note 8. Pension and Retirement Plan

All City employees are eligible to participate in the City's defined contribution IRA plan. The City matches employee contributions up to 5% of their annual salary. The contributions are fully vested immediately and are remitted to a third-party administrator each pay period, where they are deposited to an account in the employee's name. The City does not assume any liability for the funds and does not have any control over the funds once they are remitted to the third-party administrator. During the year ended December 31, 2023, the City made contributions which totaled \$14,763.

Note 9. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the City maintains commercial insurance policies covering its automobiles, professional liability, general liability, and surety bond coverage. There were no significant reductions in insurance coverage during the year ended December 31, 2023.

Note 10. Long-Term Liabilities

The following is a summary of long-term obligation transactions of the City for the year ended December 31, 2023:

	Governmental Activities		Business-Type Activities			Total
	Compensated Absences	Limited Tax Revenue Bonds	Compensated Absences	Revenue Refunding Bonds	DEQ Revenue Bonds	
Balance January 1, 2023	\$ 74,008	\$ 119,620	\$ 24,053	\$ 880,000	\$ 1,406,925	\$ 2,504,606
Additions	32,200	-	642	-	-	32,842
Reductions	(27,031)	(9,461)	(8,130)	(65,000)	(76,000)	(185,622)
Balance December 31, 2023	\$ 79,177	\$ 110,159	\$ 16,565	\$ 815,000	\$ 1,330,925	\$ 2,351,826
Due within One Year	\$ 10,986	\$ 9,722	\$ 13,946	\$ 65,000	\$ 80,000	\$ 179,654

Compensated absences for governmental activities are generally liquidated by the General Fund and Health and Sanitation Fund.

Outstanding bonds payable consisted of the following at December 31, 2023:

Governmental Activities - Revenue Bonds

Limited Tax Revenue Bonds, Series 2018, issued February 2018 at \$155,000 for purchase of garbage collection vehicles. Principal due in annual installments through 2033; interest rate of 2.75%. Payments are made from the Health and Sanitation Fund.

\$ 110,159

Total Governmental Activities - Revenue Bonds

\$ 110,159

CITY OF GRAMBLING, LOUISIANA

Notes to Financial Statements

Note 10. Long-Term Liabilities (Continued)

Business Type Activities - Revenue Bonds

Utilities Revenue Refunding Bonds, Series 2013, issued March 2013 at \$1,345,000, to be used for the water system. Principal due in annual installments through 2033. Interest rate 4.25%. Payments are made from the Maintenance Enterprise Fund. \$ 815,000

Utilities Revenue Bond, Series 2015, issued November 2015 at \$575,000, between the City and Louisiana Department of Environmental Quality for improvements to the wastewater treatment facility. Principal due in annual installments through 2036; interest and administrative fees due semi-annually at rate of 0.95%. Payments made from the Utilities Maintenance Fund. 394,925

Utilities Revenue Bond, Series 2019, issued May 2019 at \$1,500,000, between the City and Louisiana Department of Environmental Quality for improvements to the wastewater treatment facility. Principal due in annual installments through 2040; interest and administrative fees due semi-annually at rate of 0.95%. Payments made from the Utilities Maintenance Fund. 936,000

Total Business Type Activities - Revenue Bonds \$ 2,145,925

Debt service requirements on bonds payable as of December 31, 2023 are as follows:

Year Ending December 31,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 9,922	\$ 3,290	\$ 145,000	\$ 45,520
2025	9,722	3,029	151,000	41,888
2026	9,989	2,762	156,000	38,036
2027	10,264	2,487	156,000	34,079
2028	10,546	2,205	163,000	30,006
2029 to 2033	59,716	4,938	876,000	82,440
2034 to 2038	-	-	380,925	13,271
2039 to 2040	-	-	118,000	1,151
Total	<u><u>\$ 110,159</u></u>	<u><u>\$ 18,711</u></u>	<u><u>\$ 2,145,925</u></u>	<u><u>\$ 286,391</u></u>

CITY OF GRAMBLING, LOUISIANA

Notes to Financial Statements

Note 11. Commitments and Contingencies

Construction in Progress

At December 31, 2023, the City's construction in progress consisted of the following:

Project Description	Balance January 1, 2023	Additions	Transferred to Capital Assets	Balance December 31, 2023
Governmental Activities				
Community Center Expansion	\$ 195,045	\$ 88,186	\$ (283,231)	\$ -
Business-Type Activities				
Lincoln Preparatory School Wastewater Collection System Expansion	146,400	39,156	(185,556)	-
Wastewater System Rehab	103,356	241,230	-	344,586
Total	\$ 444,801	\$ 368,572	\$ (468,787)	\$ 344,586

Note 12. On-Behalf Supplemental Pay

Certain employees meeting statutory qualifications in the fire and police departments receive supplemental pay directly from the State of Louisiana. Supplemental pay in the amount of \$58,775 was recognized as intergovernmental revenue and public safety expenditures in the fund financial statements for the year ended December 31, 2023.

Note 13. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 20, 2024, and determined that no events occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Note 14. Recently Issued Accounting Pronouncements

Adopted Accounting Pronouncements

The GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of the Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. The adoption of the Statement did not have an effect on the City's financial statements.

Note 14. Recently Issued Accounting Pronouncements (Continued)

Adopted Accounting Pronouncements (Continued)

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The adoption of the Statement did not have an effect on the City's financial statements.

New Upcoming Accounting Pronouncements

The GASB issued Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. The primary objective of the Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections. The Statement is effective for fiscal years beginning after June 15, 2023.

The GASB issued Statement No. 101, *Compensated Absences*. The Statement updates the recognition and measurement guidance for compensated absences. The Statement is effective for fiscal years beginning after December 15, 2023.

The GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires new disclosure requirements about concentrations and constraints to state and local governmental entities that could affect their programs and services or a government's ability to meet its obligations. This Statement is effective for fiscal years beginning after December 15, 2023.

Management is currently determining the expected impact of implementation of the above standards on the financial statements and notes to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

CITY OF GRAMBLING, LOUISIANA
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2023

Schedule I

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Property Taxes	\$ 645,000	\$ 746,442	\$ 656,878	\$ (89,564)
Sales Taxes	599,000	677,189	701,453	24,264
Franchise Taxes and Fees	97,000	99,000	95,440	(3,560)
Licenses and Permits	90,000	130,200	109,043	(21,157)
Fines and Forfeitures	400,000	365,500	262,567	(102,933)
Intergovernmental Revenues	72,000	177,425	223,200	45,775
Miscellaneous Income	52,000	56,200	59,888	3,688
Interest Income	-	-	1	1
Total Revenues	1,955,000	2,251,957	2,108,470	(143,487)
Expenditures				
Salaries and Supplemental Wages	1,420,000	1,450,925	1,561,967	(111,042)
Council Per Diem and Extra Meetings	25,000	50,400	52,150	(1,750)
Mayor's Expense	9,000	3,000	299	2,701
Payroll Tax Expense	104,000	104,000	141,345	(37,345)
Employee Benefits Expense	122,000	141,000	121,365	19,635
Worker's Compensation	54,000	58,750	88,198	(29,448)
Unemployment Taxes	3,000	3,000	3,452	(452)
Insurance	102,000	108,000	105,104	2,896
Accounting and Audit Expenses	47,000	41,000	30,580	10,420
Dues and Subscriptions	7,000	7,000	4,710	2,290
Repair and Maintenance	46,000	47,900	76,897	(28,997)
Legal Advertising	3,000	3,000	3,201	(201)
Court Related Expenses	123,000	90,000	92,986	(2,986)
Property Tax Sale Reclaim Expense	4,000	4,000	889	3,111
Supplies and Equipment	61,000	45,400	69,084	(23,684)
Telephone and Other Utilities	126,000	117,500	119,395	(1,895)
Town Hall	9,000	9,000	7,881	1,119
Travel, Meals, and Entertainment	15,000	6,000	5,008	992
Coroner's Fee	1,000	1,000	1,500	(500)
Cultural Expense	2,000	2,000	2,395	(395)
Gas and Oil	60,000	60,000	88,615	(28,615)
Professional Fees and Contracted Services	54,000	48,000	54,600	(6,600)
Attorney Fees	39,000	72,463	72,347	116
Miscellaneous Expenses	18,000	39,170	50,212	(11,042)
Street Expenses	10,000	66,000	5,095	60,905
Capital Outlay - General Government	-	-	88,186	(88,186)
Total Expenditures	2,464,000	2,578,508	2,847,461	(268,953)
Excess (Deficiency) of Revenues Over Expenditures	(509,000)	(326,551)	(738,991)	(412,440)
Other Financing Sources (Uses)				
Transfers In	185,000	100,000	933,203	833,203
Transfers Out	-	-	(519,059)	(519,059)
Total Other Financing Sources (Uses)	185,000	100,000	414,144	314,144
Change in Fund Balance	\$ (324,000)	\$ (226,551)	(324,847)	\$ (98,296)
Fund Balance, Beginning of Year			268,826	
Fund Balance, End of Year			\$ (56,021)	

See independent auditor's report.

CITY OF GRAMBLING, LOUISIANA
Budgetary Comparison Schedule
Special Revenue Fund - Health and Sanitation
For the Year Ended December 31, 2023

Schedule II

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Sales Taxes	\$ 257,000	\$ 300,125	\$ 321,603	\$ 21,478
Charges for Services	178,000	112,041	156,365	44,324
Interest Income	-	115	149	34
Miscellaneous	52,000	119,899	54,710	(65,189)
Total Revenues	487,000	532,180	532,827	647
Expenditures				
Salaries, Direct and Indirect	146,000	60,825	220,031	(159,206)
Payroll Tax Expense, Direct and Indirect	7,000	6,728	16,762	(10,034)
Employee Group Insurance	27,000	4,550	35,176	(30,626)
Liability and Vehicle Insurance	20,000	-	-	-
Accounting and Audit Expense	10,000	6,667	10,000	(3,333)
Supplies	27,000	59	350	(291)
Minor Equipment	1,000	-	-	-
Telephone and Other Utilities	5,000	11,664	9,598	2,066
Professional Fees	6,000	14,038	10,832	3,206
Gas and Oil	12,000	5,042	3,781	1,261
Repairs and Maintenance	34,000	18,424	20,165	(1,741)
Miscellaneous Expense	-	-	12,123	(12,123)
Uniforms	1,000	-	-	-
Debt Service				
Principal	10,000	12,751	9,461	3,290
Interest and service charges	3,000	-	3,290	(3,290)
Total Expenditures	309,000	140,748	351,569	(210,821)
Excess of Revenues Over Expenditures	178,000	391,432	181,258	(210,174)
Other Financing Uses				
Transfers In	-	-	268,082	-
Transfers Out	(176,000)	(337,106)	(463,201)	(126,095)
Total Other Financing Uses	(176,000)	(337,106)	(195,119)	(126,095)
Change in Fund Balance	\$ 2,000	\$ 54,327	(13,861)	\$ (68,188)
Fund Balance, Beginning of Year			148,478	
Fund Balance, End of Year			\$ 134,617	

See independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

CITY OF GRAMBLING, LOUISIANA
Combining Balance Sheet
Non-Major Governmental Funds
For the Year Ended December 31, 2023

Schedule III

	25% Economic Development Sales Tax¹	Legends Square Taxing District²	Economic Development District 1 Fund³	Total Non-Major Governmental Funds
Assets				
Cash and Cash Equivalents	\$ 202,915	\$ 105,326	\$ 42,920	\$ 351,161
Sales Taxes Receivable, Net	15,138	9,054	1,811	26,003
Interfund Receivables	24,904	-	-	24,904
Total Assets	\$ 242,957	\$ 114,380	\$ 44,731	\$ 402,068
Liabilities and Fund Balances				
Liabilities				
Interfund Payables	-	-	24,904	24,904
Total Liabilities	-	-	24,904	24,904
Fund Balances				
Restricted	242,958	114,381	19,825	377,164
Total Fund Balances	242,958	114,381	19,825	377,164
Total Liabilities and Fund Balances	\$ 242,958	\$ 114,381	\$ 44,729	\$ 402,068

(1) **25% Economic Development Sales Tax** - This fund is used to account for sales taxes levied by the City in order to promote economic development within the City of Grambling.

(2) **Legends Square Taxing District** - This fund is used to account for the collection of sales taxes, grants, and charges for services in order to fund the construction and maintenance of operations of the retail stores located with the jurisdiction of the City of Grambling.

(3) **Grambling Economic Development District No. 1** - This fund is used to account for the collection of a one-half of one percent (0.50%) of sales tax levied within the District to fund economic development projects within such District.

CITY OF GRAMBLING, LOUISIANA
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Non-Major Governmental Funds
For the Year Ended December 31, 2023

Schedule IV

	25% Economic Development Sales Tax¹	Legends Square Taxing District²	Economic Development District 1 Fund³	Total Non-Major Governmental Funds
Revenues				
Sales Taxes	\$ 160,676	\$ 90,294	\$ 18,078	\$ 269,048
Interest Income	319	-	-	319
Total Revenues	160,995	90,294	18,078	269,367
Expenditures				
Economic Development	32,811	-	1,109	33,920
Total Expenditures	32,811	-	1,109	33,920
Excess of Revenues Over Expenditures	128,184	90,294	16,969	235,447
Other Financing Uses				
Transfers Out	(100,500)	-	(120)	(100,620)
Total Other Financing Uses	(100,500)	-	(120)	(100,620)
Net Change in Fund Balances	27,684	90,294	16,849	134,827
Fund Balances, Beginning of Year	215,274	24,087	2,976	242,337
Fund Balances, End of Year	\$ 242,958	\$ 114,381	\$ 19,825	\$ 377,164

(1) **25% Economic Development Sales Tax** - This fund is used to account for sales taxes levied by the City in order to promote economic development within the City of Grambling.

(2) **Legends Square Taxing District** - This fund is used to account for the collection of sales taxes, grants, and charges for services in order to fund the construction and maintenance of operations of the retail stores located with the jurisdiction of the City of Grambling.

(3) **Grambling Economic Development District No. 1** - This fund is used to account for the collection of a one-half of one percent (0.50%) of sales tax levied within the District to fund economic development projects within such District.

CITY OF GRAMBLING, LOUISIANA
Schedule of Insurance Coverage
For the Year Ended December 31, 2023

Schedule V

Coverage Type	Insurer	Coverage Limit	Expiration Date
Commercial Property	EMC Insurance	\$ 2,347,580	7/30/2024
Personal Property of Business	EMC Insurance	\$ 654,650	7/30/2024
Automobile	Lloyd's, London/HDI Global Specialty	\$1,000,000 per occurrence; cash value not to exceed \$188,000	7/30/2024
Fidelity Bond	Travelers	\$ 100,000	7/30/2024

Schedule of Water and Sewer Rates

Service	In City Limits	Outside of City Limits
Water, Prior to November 2023		
Residential	\$24.85 for the first 2,000 gallons, then \$2.63 per each additional 1,000 gallons	\$32.75 for the first 2,000 gallons, then \$2.63 per each additional 1,000 gallons
Commercial	\$33.31 for the first 1,000 gallons, then \$2.11 per each additional 1,000 gallons up to 16,000, then \$2.63 per each additional 1,000 gallons	\$33.31 for the first 1,000 gallons, then \$2.11 per each additional 1,000 gallons up to 16,000, then \$2.63 per each additional 1,000 gallons
Water, November 2023 and On		
Residential	\$29.16 for the first 2,000 gallons, plus an additional user rate of \$3.80 and \$1 per each additional 1,000 gallons	\$34.68 for the first 2,000 gallons, plus an additional user rate of \$3.80 and \$1 per each additional 1,000 gallons
Commercial	\$39.06 for the first 2,000 gallons, plus an additional user rate of \$3.26 and \$1 per each additional 1,000 gallons	\$44.63 for the first 2,000 gallons, plus an additional user rate of \$3.26 and \$1 per each additional 1,000 gallons
Sewer		
Residential	\$27.85 for the first 2,000 gallons, then \$2.63 per each additional 1,000 gallons	\$33.12 for the first 1,000 gallons, then \$2.63 per each additional 1,000 gallons
Commercial	\$37.31 for the first 1,000 gallons, then \$2.11 per each additional 1,000 gallons up to 16,000, then \$2.63 per each additional 1,000 gallons	\$37.31 for the first 1,000 gallons, then \$2.11 per each additional 1,000 gallons up to 16,000, then \$2.63 per each additional 1,000 gallons

Schedule of Customer Breakdown and Average Monthly Billing per User

Category	Average # of Customers		
Commercial	90		
Residential	1,039		
Total	1,129		
Aggregate dollar amount billed during 2023		\$	1,298,393
Average monthly billing per user		\$	96

CITY OF GRAMBLING, LOUISIANA
Schedule of Compensation Paid to Council Members
For the Year Ended December 31, 2023

Schedule VII

The Schedule of compensation paid to council members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Section of the Louisiana Legislature. Compensation of council members is included in general government expenditures of the General Fund.

Council Member	Term Expiration	Compensation Paid
Delores Smith, Mayor Pro-Tem	December 31, 2024	\$ 15,750
John Brown, Jr.	December 31, 2024	8,050
Cathy Holmes Giles	December 31, 2024	8,750
Jerry Lewis	December 31, 2024	8,050
DeVaria Ponton	December 31, 2024	8,050
Toby Brian	December 31, 2022	1,400
Yanise Days	December 31, 2022	700
Phyllis Miller	December 31, 2022	700
Gariartia Dupree	December 31, 2022	700
Total		\$ 52,150

See independent auditor's report.

CITY OF GRAMBLING, LOUISIANA
Schedule of Compensation, Benefits, and Other Payments
to Mayor
For the Year Ended December 30, 2023

Schedule VIII

Agency Head
 Alvin R. Bradley, Mayor

Purpose	Amount
Salary	\$68,646
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Car Allowance	\$0
Vehicle Provided by Government	\$0
Per Diem	\$0
Reimbursements	\$299
Travel	\$539
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0
Cell Phone	\$0

See independent auditor's report.

CITY OF GRAMBLING, LOUISIANA
Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session
General Fund
Cash Basis Presentation
For the Six-Month Periods Ended June 30, 2023 and December 31, 2023

Schedule IX

	First Six- Month Period Ended 6/30/2023	Second Six- Month Period Ended 12/31/2023
Beginning Balance of Amounts Collected	\$ -	\$ -
Add: Collections		
Criminal Court Costs/Fees	140,126	79,507
Subtotal Collections	<u>140,126</u>	<u>79,507</u>
Less: Disbursements to Governments and Nonprofits:		
Louisiana Supreme Court Judicial Fund	243	145
Treasurer, State of Louisiana - CMIS	1,414	894
North Louisiana Criminalistics Lab	14,377	8,734
Ruston-Lincoln Crime Stoppers	966	574
Louisiana Traumatic Head and Spinal Cord Injury	2,349	1,483
Louisiana Commission on Law Enforcement	4,465	2,784
State Treasurer's Office Disability Affairs Trust	425	125
Less: Amounts Retained by Collecting Agency		
City of Grambling - Criminal Fines	115,888	64,770
Subtotal Disbursements/Retainage	<u>140,126</u>	<u>79,507</u>
Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ -</u>	<u>\$ -</u>
Other Information		
Ending Balance of Total Amounts Assessed but not yet Collected (i.e. Receivable Balance)		
Credit Card	\$ 1,187	\$ 805
Collections of Outstanding Fines	\$ 21,700	\$ 9,596

See independent auditor's report.

**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**

Independent Auditor's Report

To the Honorable Alvin R. Bradley, Mayor,
and Members of the City Council
City of Grambling, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Grambling, Louisiana (the City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 20, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2023-001 and 2023-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2023-003 and 2023-004.

City of Grambling's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. The City's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

Baton Rouge, LA
June 20, 2024

CITY OF GRAMBLING, LOUISIANA
Schedule of Findings and Responses
For the Year Ended December 31, 2023

A. Summary of Auditor’s Results

Financial Results

- | | |
|--|------------|
| 1. Type of auditor’s report | Unmodified |
| 2. Internal control over financial reporting: | |
| a) Material weaknesses identified? | Yes |
| b) Significant deficiencies identified not considered to be material weaknesses? | None |
| c) Noncompliance material to the financial statements noted? | Yes |

Federal Awards

Not applicable.

Financial Statement Findings

2023-001 Significant Audit Adjusting Entries and Controls over Journal Entry Processing

Criteria: Controls over journal entry processing are imperative to prevent fraudulent or inaccurate financial reporting that could lead to material misstatements in the financial statements.

Condition: Significant audit adjustments were necessary in a variety of accounts for the year ended December 31, 2023.

Cause: Lack of internal controls over journal entry processing.

Effect: Unauthorized or inaccurate journal entries could lead to material misstatements in the financial statements, whether due to fraud or error.

Recommendation: The City should improve its reconciliation and journal entry processes in order to reduce the number of significant audit adjusting entries.

Management’s Response: The City will improve its reconciliation and journal entry processes.

CITY OF GRAMBLING, LOUISIANA
Schedule of Findings and Responses
For the Year Ended December 31, 2023

2023-002 Utility Billing, Collections, and Deposits Reconciliations

Criteria: Effective controls over utility billing requires that regular reconciliation of receivables, collections, and customer deposits between billing software and general ledger accounts are performed to enable accurate and timely financial reporting free of material misstatement.

Condition: The City did not perform regular reconciliations of utility receivable and customer deposit balances from the utility billing software to the general ledger accounts. As a result, receivables were not properly stated and customer deposits were not properly identified and segregated from utility revenue collections.

Cause: Lack of internal controls over utility billing revenue and receivable transaction cycles.

Effect: Receivables are not properly stated and customer deposits are not properly identified and segregated from utility revenue collections, resulting in material misstatements in the financial statements.

Recommendation: Management should design and implement procedures to properly identify and segregate customer deposits from other utility collections and reconcile utility receivables and customer deposits balances between the utility billing system and general ledger at least monthly.

Management's Response: The Utility supervisor will process monthly reconciliation between utility billing software and general ledger accounts to ensure proper revenue and receivable reporting.

Compliance and Other Matters

2023-003 Noncompliance with the Local Government Budget Act (LGBA)

Criteria: Louisiana Revised Statute (R.S.) 39:1309 requires that all action necessary to adopt and otherwise finalize and implement the budget for a fiscal year, including the adoption of any amendments to the proposed budget, shall be taken in open meeting and completed before the end of the prior fiscal year. In addition, the budget should be amended when actual expenditures are exceeding budgeted by more than 5%.

Condition: The City was noncompliant with the local government budget act, specifically R.S. 39:1309, as the Council did not adopt and otherwise finalize and implement the budget for the 2023 fiscal year before the end of the prior fiscal year. In addition, actual expenditures of \$2,847,461 in the General Fund exceeded budgeted amounts of

CITY OF GRAMBLING, LOUISIANA
Schedule of Findings and Responses
For the Year Ended December 31, 2023

\$2,578,508 which resulted in an unfavorable variance of \$268,953 and actual expenditures of \$351,569 in the Health and Sanitation Fund exceeded budgeted expenditures of \$140,748 resulting in an unfavorable variance of \$210,821. Both variances exceeded the 5% threshold.

Cause: Unknown.

Effect: Noncompliance with Louisiana Revised Statutes. If a budget is not adopted and finalized for any fiscal year, the entity can only legally operate at 50% of the prior year's budgeted amounts.

Recommendation: The City and its Council should develop policies and procedures to ensure they remain compliant with the LGBA.

Management's Response: The City of Grambling and its Council have implemented policies and procedures to ensure they remain compliant with the LGBA.

2023-004 Violation of Debt Covenants

Criteria: As part of the agreement for their various bonds, the City is required to adhere to certain conditions and requirements set forth in such debt agreements, including the creation and maintenance of certain sinking and reserve funds.

Condition: The City has created and adequately funded the sinking fund as required by the bond covenants but has not appropriately created and maintained all the reserve funds required by the debt agreements. In addition, we noted that credit card utility payments were deposited in the general fund during the year ended December 31, 2023.

Cause: Unknown.

Effect: The City is not in compliance with its debt agreements.

Recommendation: The City should review debt agreements, create all necessary reserve accounts, and to the extent possible, set up automatic monthly transfers to fund each account as mandated by each debt agreement.

Management's Response: The City will review their current restricted funds and revise use and maintenance of accounts as necessary to be in compliance with debt agreements

CITY OF GRAMBLING, LOUISIANA
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2022

Financial Statement Findings

2022-001 Lack of Controls over Journal Entry Processing

Condition: The City has no approval process in place for creation and posting of journal entries. The City also has no requirements in place to maintain adequate support for posted journal entries.

Status: This finding has been partially resolved. See current year finding 2023-001.

2022-002 Utility Billing Reports and Reconciliation

Condition: Monthly meter reading logs are not retained and an accounts receivable aging report from the utility billing software is not printed at month-end. The software does not allow for creation and printing of historical aging reports after the fact.

Status: This finding has been partially resolved. See current year finding 2023-002.

2022-003 Lack of Controls over Transaction Recording

Condition: During the audit, several instances of transactions being coded to the wrong expense or revenue account were identified. As a result, material audit adjustments were necessary to correct account balances.

Status: This finding has been resolved.

2022-004 Interfund Reconciliations

Condition: During the audit, several unexpected variances were identified, which were traced back to credit card collections on utility billings that were all deposited to the general fund bank and account and those monies were not transferred to the appropriate funds. The lack of reconciliation of interfund accounts resulted in material audit adjustments to correct account balances.

Status: This finding has been partially resolved. See finding 2023-001

CITY OF GRAMBLING, LOUISIANA
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2022

2022-005 Oversight over Cooperative Endeavor Agreement

Condition: The City has a cooperative endeavor agreement with a non-profit organization which was created for the purpose of economic development. During the year ended December 31, 2022, the City disbursed public funds restricted for economic development to that non-profit organization. It was noted that the City does not obtain documentation from the non-profit organization as to the specific uses of the funds disbursed in accordance with the cooperative endeavor agreement.

Status: This finding has been resolved.

Compliance and Other Matters

2022-006 Noncompliance with the Local Government Budget Act (LGBA)

Condition: The City was noncompliant with the local government budget act, specifically R.S. 39:1309, as the Council did not adopt and otherwise finalize and implement the budget for the 2022 fiscal year before the end of the prior fiscal year. In addition, actual expenditures of \$2,968,029 in the General Fund exceeded budgeted amount of \$2,323,000 which resulted in an unfavorable variance of \$645,029 which exceeded the 5% threshold.

Status: Unresolved. See finding 2023-003

2022-007 Late Submission of the Annual Audit

Condition: The audit report for the year ended December 31, 2022 was not submitted to the LLA within six months after year-end.

Status: This finding has been resolved.

2022-008 Credit Card Support and Documentation

Condition: The City did not maintain appropriate support and/or documentation of business/public purpose for credit card transactions. During our testing of 25 credit card transactions, we noted that there was no documentation for 5 charges, there was no documentation of public purpose or who participated in 10 credit card charges for meals, and there was no documentation of public purpose for 6 other credit card charges.

Status: This finding has been resolved.

AGREED-UPON PROCEDURES REPORT

City of Grambling, Louisiana

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2023 - December 31, 2023

To the Council of
the City of Grambling, Louisiana and
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the City of Grambling, Louisiana's (the City) control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year January 1, 2023 through December 31, 2023. The City's management is responsible for those C/C areas identified in the SAUPs.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal year January 1, 2023 through December 31, 2023. Additionally, the 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 results are as follows:

1) *Written Policies and Procedures*

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

- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
- ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
- iii. ***Disbursements***, including processing, reviewing, and approving.

- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: We noted subcategories (2), (4), and (5) are not present in procedure ii. We noted subcategory (4) was not present for procedure viii. We noted subcategories (2) and (3) were not present in procedure xii. We noted no written policies and procedures for procedures ii, iii, iv, vi, and x. We noted no other exceptions in the performance of these procedures.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: We noted that the City Council meets on a monthly basis. We noted that the minutes did not reference the review of budget to actual comparisons or the resolution of prior audit findings.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

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

Results: We performed the above procedures and noted that for the five bank reconciliations one was not reconciled within 2 months of closing and that there was no written evidence that a member of management or a board member reviewed them. We noted one out of five bank reconciliations had outstanding items over 12 months that have not been investigated. No other exceptions noted.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- v. Trace the actual deposit per the bank statement to the general ledger.

Results: We noted no exceptions in the performance of these procedures.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported].

- C. For each location selected under procedure #5A 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
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Results: We noted that one out of five electronic payments did not have documentation of segregation of duties by signature approval. We noted no further procedures in the performance of these procedures.

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

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Results: We noted two out of three credit card statements tested did not have documentation of approval. Out of fifteen credit card charges tested, we noted that five charges had no receipt or documentation, we noted six credit card charges for which receipts were present but there was no documentation of public purpose, and we noted ten charges for meals which did not indicate public purpose or identify who was present.

We noted one finance charge on credit cards tested. We noted no other exceptions in the performance of these procedures.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were found as a result of these procedures.

8) **Contracts**

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were found as a result of these procedures.

9) **Payroll and Personnel**

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe whether the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: No exceptions were found as a result of these procedures.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: We noted that 3 of 5 employees/officials tested did not take the annual training. No other exceptions were found as a result of these procedures.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: We noted that water and sewer credit card payments were deposited in the General Fund and were not remitted to the revenue account of the Water Maintenance Fund. We noted that reserves for the City's utility revenue bonds were not sufficient at December 31, 2023. No other exceptions were found as a result of these procedures.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the Legislative Auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: We noted that the fraud notice was not included on the website or exhibited at city hall.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
 - i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9a, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- i. Hired before June 9, 2020 - completed the training; and
 - ii. Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Results: We performed the procedures and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1st, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Results: We noted that 3 of the 5 employees/officials tested did not take the annual training. We noted that the annual report did not contain item i. We noted no other exceptions in the performance of these procedures.

We were engaged by the City 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 City 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 on those C/C areas identified in Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, and the results of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Baton Rouge, LA
June 20, 2024



CITY OF GRAMBLING

MAYOR: Alvin R. Bradley, Sr.



COUNCIL MEMBERS:

John F. Brown, Jr.
Cathy Giles
Jerry Lewis
DeVaria H. Ponton
Delores W. Smith


Mr. Michael J. Waguespack
Louisiana Legislative Auditor
1600 N 3rd Street
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: Statewide Agreed-Upon Procedures

The management of the City of Grambling, Louisiana (the City), wishes to provide the following responses relative to the results of the 2023 Statewide agreed-upon procedures engagement:

- 1) The City will adopt written policies and procedures for the noted categories.
- 2) The City Council will begin reviewing budget to actual comparisons on a monthly basis and will follow up on prior year findings.
- 3) The City will reconcile future bank accounts on a timely basis and will ensure that all bank reconciliations are reviewed.
- 4) The City will document segregation of duties for electronic payments in the future.
- 5) The City will institute procedures to ensure that credit card statements paid timely to avoid finance charges.
- 6) The City will comply with its revenue bond covenants by depositing credit card payments in the water maintenance revenue account and by maintaining required reserves.
- 7) The City will ensure that all employees and officials take the annual ethics and sexual harassment training and that the report include all of the required items.

Sincerely,


Alvin Bradley
Mayor

127 King Street – P. O. Box 109
Grambling, Louisiana 71245

Phone: (318) 247-6120
Fax: (318) 247-0940

www.cityofgrambling.org

"The City of Grambling is and equal opportunity provider and employer"