

**TOWN OF DUBACH
LOUISIANA**

**FINANCIAL STATEMENTS
JUNE 30, 2023**

TOWN OF DUBACH, LOUISIANA

FINANCIAL STATEMENTS

JUNE 30, 2023

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DON M. McGEHEE
(A Professional Accounting Corporation)

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Dubach, Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Dubach's basic financial statements, as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Dubach, Louisiana, as of June 30, 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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on the pages indicated in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Dubach's basic financial statements. The accompanying supplemental schedule of per diem payments to council members, schedule of compensation, benefits, and other payments, schedule of justice system funding - receiving and schedule of justice system funding - collecting/disbursing are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplemental schedule of per diem payments to council members, schedule of compensation, benefits and other payments, schedule of justice system funding - receiving and schedule of justice system funding - collecting/disbursing are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated February 28, 2024, on my consideration of the Town of Dubach's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Dubach's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Dubach's internal control over financial reporting and compliance.



Don M. McGehee
Certified Public Accountant
February 28, 2024

**REQUIRED SUPPLEMENTAL INFORMATION
(PART I)**

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

The discussion and analysis of the Town of Dubach's performance provides an overview of the financial activities for the year ended June 30, 2023. It is based upon currently known facts, decisions, and conditions. Please read it in conjunction with the financial statements which begin on page 11.

Basic Financial Statements

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

Statement of Net Position and Statement of Activities

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

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

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

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

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

Government-Wide Financial Analysis

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

Table 1
Total Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 1,006,280	\$ 827,944	\$ 367,971	\$ 469,665	\$ 1,374,251	\$ 1,297,609
Capital Assets	<u>235,627</u>	<u>259,869</u>	<u>2,111,385</u>	<u>2,206,220</u>	<u>2,347,012</u>	<u>2,466,089</u>
Total Assets	<u>1,241,907</u>	<u>1,087,813</u>	<u>2,479,356</u>	<u>2,675,885</u>	<u>3,721,263</u>	<u>3,763,698</u>
Liabilities	<u>269,081</u>	<u>107,009</u>	<u>65,370</u>	<u>134,595</u>	<u>334,451</u>	<u>241,604</u>
Net Position:						
Investment in Capital Assets	235,627	259,869	2,111,385	2,206,220	2,347,012	2,466,089
Restricted	271,765	108,175	0	0	271,765	108,175
Unrestricted	<u>465,434</u>	<u>612,760</u>	<u>302,601</u>	<u>335,070</u>	<u>768,035</u>	<u>947,830</u>
Total Net Position	<u>\$ 972,826</u>	<u>\$ 980,804</u>	<u>\$ 2,413,986</u>	<u>\$ 2,541,290</u>	<u>\$ 3,386,812</u>	<u>\$ 3,522,094</u>

The largest portion of the Town's net position (69% for 2023 and 70% for 2022) is invested in capital assets. The net position invested in capital assets consist of land, buildings, water and sewer system, and equipment. The Town uses these capital assets to provide services to its citizens; consequently, these amounts are not available for future spending.

Unrestricted net position for 2023 and 2022 was 23% and 27%, respectively, of total net position. Nearly all unrestricted net position is composed of cash and investments. Unrestricted net position can be used to finance the day-to-day operations of the Town without constraints.

The remaining restricted net position (8% for 2023 and 3% for 2022) represents resources that are restricted to the perpetual care of a cemetery, unspent grant funds, community projects, and maintenance of the flag.

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
	Revenues					
Program Revenues:						
Charges for Services	\$ 74,713	\$ 89,388	\$ 231,282	\$ 216,299	\$ 305,995	\$ 305,687
Operating Grants and Contributions	104,828	117,507	0	5,500	104,828	123,007
Capital Grants and Contributions	420	591	0	654,022	420	654,613
General Revenues:						
Taxes	217,459	225,043	0	0	217,459	225,043
Licenses	57,267	48,082	0	0	57,267	48,082
Other	4,521	19,212	4,444	1,257	8,965	20,469
Total Revenues	<u>459,208</u>	<u>499,823</u>	<u>235,726</u>	<u>877,078</u>	<u>694,934</u>	<u>1,376,901</u>
Program Expenses						
General Government	227,022	235,538	0	0	227,022	235,538
Police	130,404	113,525	0	0	130,404	113,525
Highways and Streets	25,194	22,810	0	0	25,194	22,810
Sanitation	90,391	46,800	0	0	90,391	46,800
Cemetery	675	800	0	0	675	800
Water and Sewer	0	0	363,030	357,749	363,030	357,749
Total Expenses	<u>473,686</u>	<u>419,473</u>	<u>363,030</u>	<u>357,749</u>	<u>836,716</u>	<u>777,222</u>
Special Items	<u>6,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,500</u>	<u>0</u>
Increase (Decrease) in Net Position	(7,978)	80,350	(127,304)	519,329	(135,282)	599,679
Net Position-Beginning	<u>980,804</u>	<u>900,454</u>	<u>2,541,290</u>	<u>2,021,961</u>	<u>3,522,094</u>	<u>2,922,415</u>
Net Position-Ending	<u>\$ 972,826</u>	<u>\$ 980,804</u>	<u>\$ 2,413,986</u>	<u>\$ 2,541,290</u>	<u>\$ 3,386,812</u>	<u>\$ 3,522,094</u>

Governmental financial activities changed the Town's net position for the years ending June 20, 2023 and 2022, by a 1% decrease and a 9% increase (\$7,978 and \$80,350), respectively. Governmental activities 2023 revenues decreased 8% (\$40,615) from the prior year. Expenses increased 13% (\$54,213) from the prior year with a decrease of \$8,516 in the general government expenses, an increase of \$16,879 in the police department, an increase of \$2,384 in the street department, an increase of \$43,591 in the garbage department and a decrease of \$125 in the cemetery fund.

Business-type activities decreased net position by 5% (\$127,304) for the year ended June 30, 2023, compared to a 26% (\$519,329) increase in the prior year. Charges for services revenue increased 7% (\$14,983) in 2023 compared to the prior year. Expenses increased 1% (\$5,281) in 2023 compared to the prior year.

Most of the 2022 net position increase was the result of having \$654,022 in grant proceeds for capital improvements associated with a LCDBG sewer project and proceeds for the purchase of equipment with an ARPA grant.

Fund Financial Statements

As of June 30, 2023, the governmental funds reported a fund balance of \$712,083, which is an increase of 2% (\$15,959) in the total fund balance from the previous year. Included in this year's total change in fund balance is a revenue surplus of \$823 in the Town's general fund and a revenue surplus of \$18,817 in the Town's garbage fund compared to a \$40,481 revenue surplus in the prior year general fund and a \$60,246 revenue surplus in the prior year garbage fund. Thirty-three percent (33%) of the total fund balance is restricted due to external limitations on its use. These uses include garbage fund restrictions for \$223,036 and the cemetery fund for \$9,339. Six percent (6%) is considered unspendable because it has been used for prepaid items (\$27,002) and perpetual care of the cemetery (\$12,896). About 36% (\$258,869) is restricted for grant purposes (\$253,403) and from donor's gifts to the flag fund (\$1,381) and to the community project fund (\$4,085). The remaining twenty-five percent (25%) or \$180,941 is unassigned.

The general fund is the main operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was \$180,941, while total fund balance was \$458,078. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance and total fund balance to total fund expenditures. General fund expenditures exceed unassigned fund balance by \$170,114 but total fund balance exceeds general fund expenditures by \$107,023.

The key elements for the change in 2023 compared to the prior year are as follows:

- (1) Sales tax revenues in the general fund decreased \$11,868 from the prior year.
- (2) Licenses and permits increased \$9,185 from the prior year.
- (3) Donations increased \$8,664 from the prior year.
- (4) Fines decreased \$6,989 from the prior year.
- (5) General fund expenditures increased \$13,158 from the prior year, primarily as a result of an increase in police expenditures.

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

General Fund Budgetary Highlights

The budget is amended when it is determined that there are unexpected differences between actual and anticipated revenues and/or expenditures. The amended budget for 2023 was adopted just prior to year end. The difference between the original and final amended revenues budget was a 48% (\$340,856) decrease in revenues because unearned grant revenues were not earned in 2023 as expected. The difference between the original and final amended expenditures budget was a 34% (\$146,650) decrease in expenditures and a 33% (\$172,805) decrease in beginning fund balance. There were no other significant general fund budget adjustments.

The significant variances between actual results compared to the general fund budget, as reported on page 31, were that grant revenues were \$60,180 less than budgeted, sales tax was \$68,006 more than budgeted, and fines were \$75,774 less than budgeted. General government expenditures were \$55,358 more than budgeted. Police expenditures were \$3,291 less than budgeted. Highways and streets expenditures were \$3,762 more than budgeted. Capital outlays were \$7,126 more than budgeted.

Capital Assets

The Town invested \$23,569 in capital assets for its governmental and business-type activities during the fiscal year ending June 30, 2023. This investment included construction of sewer system improvements, a carport, equipment, sign for the cemetery, and improvements to park facilities. This investment was funded by grants, insurance proceeds, and funds from the general fund and the proprietary fund.

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

Currently Known Facts, Decisions, or Conditions

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

Requests for Additional Information

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

GOVERNMENT WIDE FINANCIAL STATEMENTS

TOWN OF DUBACH, LOUISIANA

STATEMENT OF NET POSITION

JUNE 30, 2023

	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash	\$ 274,274	\$ 167,898	\$ 442,172
Investments	286,390	170,494	456,884
Receivables--Net	43,135	15,619	58,754
Due from State for Overpayment of Taxes	0	1,158	1,158
Due from Other Governments	37,714	16,722	54,436
Internal Balances	77,624	(77,624)	0
Accrued Interest	1,272	4,046	5,318
Prepaid Insurance	27,002	15,137	42,139
Restricted Assets			
Cash-Flag Fund	1,381	0	1,381
Cash-Grants	253,403	0	253,403
Cash-Community Project	4,085	0	4,085
Cash-Customers' Deposits	0	28,619	28,619
Investments-Customers' Deposits	0	25,902	25,902
Capital Assets--Net	<u>235,627</u>	<u>2,111,385</u>	<u>2,347,012</u>
TOTAL ASSETS	<u>1,241,907</u>	<u>2,479,356</u>	<u>3,721,263</u>
LIABILITIES			
Accounts Payable	6,940	4,681	11,621
Accrued Expenses	8,738	6,168	14,906
Deferred Revenue	253,403	0	253,403
Customers' Deposits	<u>0</u>	<u>54,521</u>	<u>54,521</u>
TOTAL LIABILITIES	<u>269,081</u>	<u>65,370</u>	<u>334,451</u>
NET POSITION			
Invested in Capital Assets	235,627	2,111,385	2,347,012
Restricted for--			
Perpetual Care of Cemetery	12,896	0	12,896
Flag Fund	1,381	0	1,381
Grants	253,403	0	253,403
Community Project	4,085	0	4,085
Unrestricted	<u>465,434</u>	<u>302,601</u>	<u>768,035</u>
TOTAL NET POSITION	<u>\$ 972,826</u>	<u>\$ 2,413,986</u>	<u>\$ 3,386,812</u>

See accompanying notes to financial statements.

TOWN OF DUBACH, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
PRIMARY GOVERNMENT							
GOVERNMENTAL ACTIVITIES:							
General Government	\$ 227,022	\$ 19,133	\$ 28,431	\$ 0	\$ (179,458)	\$ 0	\$ (179,458)
Police	130,404	14,226	7,100	420	(108,658)	0	(108,658)
Highways and Streets	25,194	3,050	0	0	(22,144)	0	(22,144)
Sanitation	90,391	38,204	68,932	0	16,745	0	16,745
Cemetery	675	100	365	0	(210)	0	(210)
TOTAL GOVERNMENTAL ACTIVITIES	<u>473,686</u>	<u>74,713</u>	<u>104,828</u>	<u>420</u>	<u>(293,725)</u>	<u>0</u>	<u>(293,725)</u>
BUSINESS-TYPE ACTIVITIES:							
Water and Sewer	363,030	231,282	0	0	0	(131,748)	(131,748)
TOTAL PRIMARY GOVERNMENT	<u>\$ 836,716</u>	<u>\$ 305,995</u>	<u>\$ 104,828</u>	<u>\$ 420</u>	<u>(293,725)</u>	<u>(131,748)</u>	<u>(425,473)</u>
GENERAL REVENUES:							
Taxes							
Ad Valorem					27,669	0	27,669
Sales and Use					145,006	0	145,006
Franchise					44,784	0	44,784
Licenses					57,267	0	57,267
Investment Earnings					1,873	4,444	6,317
Other Revenue					2,648	0	2,648
SPECIAL ITEMS							
Proceeds from Insurance for Cemetery Sign					6,500	0	6,500
TOTAL GENERAL REVENUES					<u>285,747</u>	<u>4,444</u>	<u>290,191</u>
CHANGE IN NET POSITION					(7,978)	(127,304)	(135,282)
NET POSITION-BEGINNING					<u>980,804</u>	<u>2,541,290</u>	<u>3,522,094</u>
NET POSITION-ENDING					<u>\$ 972,826</u>	<u>\$ 2,413,986</u>	<u>\$ 3,386,812</u>

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

TOWN OF DUBACH, LOUISIANA

**BALANCE SHEETS
GOVERNMENTAL FUNDS**

JUNE 30, 2023

	General Fund	Garbage Fund	Other Governmental Fund Permanent Fund	Total Governmental Funds
ASSETS				
Cash	\$ 159,328	\$ 109,802	\$ 5,144	\$ 274,274
Investments	211,585	58,018	16,787	286,390
Receivables--Net	43,135	0	0	43,135
Receivable from Other Governments	1,945	11,905	0	13,850
Due from Other Funds	30,452	57,720	0	88,172
Accrued Interest	20	948	304	1,272
Prepaid Insurance	18,268	8,734	0	27,002
Restricted Cash	<u>258,869</u>	<u>0</u>	<u>0</u>	<u>258,869</u>
TOTAL ASSETS	<u>\$ 723,602</u>	<u>\$ 247,127</u>	<u>\$ 22,235</u>	<u>\$ 992,964</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES:				
Accounts Payable	\$ 5,623	\$ 1,317	\$ 0	\$ 6,940
Accrued Expenses	5,246	3,492	0	8,738
Due to Other Funds	0	10,548	0	10,548
Deferred Revenue	<u>254,655</u>	<u>0</u>	<u>0</u>	<u>254,655</u>
TOTAL LIABILITIES	<u>265,524</u>	<u>15,357</u>	<u>0</u>	<u>280,881</u>
FUND BALANCES:				
Nonspendable--				
Prepaid Insurance	18,268	8,734	0	27,002
Perpetual Care of Cemetery	0	0	12,896	12,896
Restricted--Flag	1,381	0	0	1,381
Restricted--Grant	253,403	0	0	253,403
Restricted--Community Project	4,085	0	0	4,085
Committed for--				
Garbage	0	223,036	0	223,036
Cemetery	0	0	9,339	9,339
Unassigned	<u>180,941</u>	<u>0</u>	<u>0</u>	<u>180,941</u>
TOTAL FUND BALANCE	<u>458,078</u>	<u>231,770</u>	<u>22,235</u>	<u>712,083</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 723,602</u>	<u>\$ 247,127</u>	<u>\$ 22,235</u>	<u>\$ 992,964</u>

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2023**

Total Fund Balances-Governmental Funds	\$ 712,083
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.	235,627
Accrued intergovernmental receivables not collectible within 60 days of year end are not available to fund expenditures and are therefore not recognized in the governmental funds.	23,863
Certain ad valorem taxes receivable are not available to pay current period expenditures and therefore are recognized as deferred revenues in the governmental funds.	<u>1,253</u>
Net Position of Governmental Activities	<u>\$ 972,826</u>

See accompanying notes to financial statements.

TOWN OF DUBACH, LOUISIANA
STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES--GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>General Fund</u>	<u>Garbage Fund</u>	<u>Other Governmental Fund Permanent Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes				
Ad Valorem	\$ 27,365	\$ 0	\$ 0	\$ 27,365
Franchise	44,784	0	0	44,784
Sales and Use	145,006	0	0	145,006
Licenses and Permits	57,268	0	0	57,268
Intergovernmental				
Hotel Tax	7,672	0	0	7,672
Supplemental Pay - Police	7,100	0	0	7,100
Right-of-Way Maintenance	3,050	0	0	3,050
Town's Portion of 1/2% Tax	0	68,932	0	68,932
Grant	8,920	0	0	8,920
Charges for Services	12,110	38,204	0	50,314
Fines	14,226	0	0	14,226
Investment Earnings	801	1,072	365	2,238
Contributions and Donations	12,259	0	0	12,259
Other Revenues				
Rent	6,125	0	0	6,125
Royalties and Gas Lease	2,648	0	0	2,648
Miscellaneous	898	0	100	998
TOTAL REVENUES	<u>350,232</u>	<u>108,208</u>	<u>465</u>	<u>458,905</u>
EXPENDITURES				
General Government	203,258	0	0	203,258
Police	116,609	0	0	116,609
Highways and Streets	23,562	0	0	23,562
Sanitation	0	89,391	0	89,391
Capital Outlay	7,626	0	9,000	16,626
TOTAL EXPENDITURES	<u>351,055</u>	<u>89,391</u>	<u>9,000</u>	<u>449,446</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(823)	18,817	(8,535)	9,459
SPECIAL ITEM				
Insurance Proceeds for Assets	0	0	6,500	6,500
TOTAL SPECIAL ITEMS	<u>0</u>	<u>0</u>	<u>6,500</u>	<u>6,500</u>
NET CHANGES IN FUND BALANCES	(823)	18,817	(2,035)	15,959
FUND BALANCES-BEGINNING	<u>458,901</u>	<u>212,953</u>	<u>24,270</u>	<u>696,124</u>
FUND BALANCES-ENDING	<u>\$ 458,078</u>	<u>\$ 231,770</u>	<u>\$ 22,235</u>	<u>\$ 712,083</u>

See accompanying notes to financial statements.

TOWN OF DUBACH, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

NET CHANGE IN FUND BALANCES-GOVERNMENTAL FUNDS \$ 15,959

**Amounts Reported for Governmental Activities in the Statement of
Activities are Different Because:**

Governmental Funds report capital outlays as expenditures.

However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. An adjustment is required for the amount by which depreciation expense exceeded capital outlay expense in the current period.

(24,241)

Governmental Funds report ad valorem taxes as revenue when collected or available to fund current period expenses. Revenue in the statement of activities is recognized when the taxes become due. An adjustment is required for ad valorem taxes that do not provide current resources:

Accrued revenue for ad valorem taxes that were not received within sixty days of year end, net of amounts received for the previous year not recognized as revenue in that year due to non-collection within sixty days of year end.

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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ (7,978)

See accompanying notes to financial statements.

TOWN OF DUBACH, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2023

	<u>Water and Sewer Enterprise Fund</u>
ASSETS	
CURRENT ASSETS:	
Cash	\$ 167,898
Investments	170,494
Accounts Receivable--Net of Allowance of \$1,100	15,619
Due from State for Overpayment of Taxes	1,158
Due from State Grants	16,722
Accrued Interest	4,046
Prepaid Insurance	<u>15,137</u>
TOTAL CURRENT ASSETS	<u>391,074</u>
NON-CURRENT ASSETS:	
Restricted Assets	
Cash-Customers' Deposits	28,619
Investments-Customers' Deposits	<u>25,902</u>
Total Restricted Assets	<u>54,521</u>
Capital Assets--Net of Accumulated Depreciation	<u>2,111,385</u>
TOTAL NON-CURRENT ASSETS	<u>2,165,906</u>
TOTAL ASSETS	<u>2,556,980</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable	4,681
Accrued Expenses	
Accrued Payroll	1,878
Accrued Vacation	4,290
Due to Other Funds	<u>77,624</u>
TOTAL CURRENT LIABILITIES	<u>88,473</u>
NON-CURRENT LIABILITIES	
Customers' Deposits Payable	<u>54,521</u>
TOTAL NON-CURRENT LIABILITIES	<u>54,521</u>
TOTAL LIABILITIES	<u>142,994</u>
NET POSITION	
Invested in Capital Assets	2,111,385
Unrestricted	<u>302,601</u>
TOTAL NET POSITION	<u>\$ 2,413,986</u>

See accompanying notes to financial statements.

TOWN OF DUBACH, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Water and Sewer Enterprise Fund</u>
OPERATING REVENUES	
Water Sales	\$ 118,170
Sewer Fees	105,925
Delinquent Fees	5,682
Connecting and Re-connecting Fees	1,500
Miscellaneous	<u>5</u>
TOTAL OPERATING REVENUES	<u>231,282</u>
OPERATING EXPENSES	
Depreciation	101,778
Insurance-Utility Fund	18,374
Legal and Accounting Fees	5,000
Miscellaneous	1,198
Operations and Maintenance of System	39,414
Office Supplies, Postage, and Printing	3,818
Outside Services	24,193
Safe Drinking Water Fee	4,640
Salaries	105,882
Taxes-Payroll	8,382
Travel	15,909
Truck Maintenance and Operations	6,578
Utilities	<u>27,864</u>
TOTAL OPERATING EXPENSES	<u>363,030</u>
OPERATING LOSS	<u>(131,748)</u>
NON-OPERATING REVENUES	
Interest Income	<u>4,444</u>
TOTAL NON-OPERATING REVENUES	<u>4,444</u>
CHANGE IN NET POSITION	(127,304)
TOTAL NET POSITION-BEGINNING	<u>2,541,290</u>
TOTAL NET POSITION-ENDING	<u>\$ 2,413,986</u>

See accompanying notes to financial statements.

TOWN OF DUBACH, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Water and Sewer Enterprise Fund</u>
Cash Flows From Operating Activities	
Cash Received from Customers and Users	\$ 234,023
Cash Payments for Goods and Services	(164,691)
Cash Payments to Employees	<u>(110,645)</u>
Net Cash Used By Operating Activities	<u>(41,313)</u>
Cash Flows From Noncapital Financing Activities	
Reimbursements to Other Funds	<u>29,927</u>
Net Cash Provided By Noncapital Financing Activities	<u>29,927</u>
Cash Flows From Capital Financing Activities	
Proceeds from Capital Grants	32,432
Purchase of Fixed Assets	(4,943)
Payment of Construction Costs	<u>(65,809)</u>
Net Cash Used By Capital Financing Activities	<u>(38,320)</u>
Cash Flows From Investing Activities	
Maturity of Certificates of Deposit Investments	195,138
Purchase of Certificate of Deposit Investments	(196,396)
Interest Received	<u>1,350</u>
Net Cash Provided By Investing Activities	<u>92</u>
Net Decrease In Cash	(49,614)
Cash At Beginning Of Year	<u>246,131</u>
Cash At End Of Year	<u>\$ 196,517</u>
Reconciliation Of Operating Loss To Net Cash Used By Operating Activities:	
Operating Loss	\$ (131,748)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities--	
Depreciation	101,778
(Increase) Decrease in Net Accounts Receivable	2,903
(Increase) Decrease in Amount Due from State	(1,158)
(Increase) Decrease in Prepaid Insurance	(7,670)
Increase (Decrease) in Accounts Payable	(1,390)
Increase (Decrease) in Accrued Expenses	(5,024)
Increase (Decrease) in Customers' Deposits	<u>996</u>
Total Adjustments	<u>90,435</u>
Net Cash Used By Operating Activities	<u>\$ (41,313)</u>
Cash Per Statement of Net Position:	
Current Cash	\$ 167,898
Restricted Cash	<u>28,619</u>
Total Cash at End of Year	<u>\$ 196,517</u>

See accompanying notes to financial statements.

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

B. Basic Financial Statements--Government-Wide Statements

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

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

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

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basic Financial Statements--Fund Financial Statements

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

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

The following funds are used by the Town of Dubach:

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

General Fund

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

Special Revenue Funds

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

Permanent Fund

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

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

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

Enterprise Funds

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

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

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting

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

Accrual

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

Modified Accrual

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

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

E. Cash Deposits and Investments

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

Under state law, the Town of Dubach may invest funds in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities. Investments are reported at fair value.

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Restricted Assets

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

G. Compensated Absences

Employees earn either one or two weeks of vacation time each year, depending upon years of service. Employees earn 12 days of sick leave each year. Vacation can be accumulated. The Town accrues accumulated unpaid vacation when earned by the employee. There were \$6,018 in accrued vacation benefits at year end. There were no accumulated and vested sick leave benefits at year end.

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

H. Use of Estimates

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

I. Interfund Activity

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

J. Receivables

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

K. Deferred Outflows of Resources and Deferred Inflows of Resources

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

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Property Tax and Sales Tax Revenues

Ad Valorem taxes are levied by the Town on a calendar year basis and become delinquent on December 31. The Town bills and collects its own Ad Valorem taxes. For the 2022 Ad Valorem Taxes, one rate of tax was levied on property within the corporate limits, as follows:

6.95 mills for the general maintenance of the Town. This millage was approved by the Town Council June 22, 2022. This millage is the maximum millage that can be assessed without the approval of voters.

For the year ended June 30, 2023, taxes of \$26,624 were levied on property. Taxes receivable at June 30, 2023 consisted of the following:

Taxes Receivable	\$ 2,130
Allowance for Uncollectible Taxes	<u>(830)</u>
Net Ad Valorem Taxes Receivable	<u>\$ 1,300</u>

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

First Guaranty	\$ 2,990
Dubach Apartments	748
Centerpoint Energy Arkla	680
Rosenfeld	509
Entergy	<u>703</u>
Total	<u>\$ 5,630</u>

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

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

M. Capital Assets

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

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Capital Assets (continued)

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

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

N. Defining Operating Revenues and Expenses

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

O. Government-wide and Proprietary Fund Net Position

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

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

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

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

P. Governmental Fund Balance

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

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

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

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

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

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

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Governmental Fund Balance (continued)

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

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

Q. Prepaid Insurance

Payments made to insurance companies for insurance coverage that will benefit periods beyond June 30, 2023, are recorded as prepaid items in the asset section of the fund financial statements balance sheet.

R. Budget Information

The Town of Dubach prepared operating budgets on its General Fund and Special Revenue Fund for the year ended June 30, 2023. The proposed budgets were published in the official journal and made available for public inspection. A public hearing for the proposed budgets was held on June 22, 2022, and the budgets were adopted by the mayor and council members. There were legally adopted budget amendments prior to year end. The budgets presented anticipated revenues and expenditures on a basis consistent with generally accepted accounting principles. Budgetary amounts were monitored by management and amended as deemed necessary. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

NOTE 2 - CASH AND INVESTMENTS

At June 30, 2023, the Town had cash and restricted cash (book balances) totaling \$725,575 and investments and restricted investments (book balances) totaling \$482,786, as follows:

	Cash	Investments
Cash on Hand	\$ 50	\$ 0
Demand Deposits	726,974	0
Time Deposits	2,636	482,786
Total	\$ 729,660	\$ 482,786

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. Ordinarily, these securities are held in the name of the pledging agent bank in a holding or custodial bank that is mutually acceptable to both parties.

The Town maintains its cash accounts in various banks. Each bank provides Federal Deposit Insurance Corporation (FDIC) coverage of \$250,000 for all demand deposits and \$250,000 for all time deposits. At June 30, 2023, the Town had \$1,232,062 in deposits (collected bank balances). These deposits are secured from risk by \$740,888 of federal deposit insurance and \$491,174 of pledged securities held by custodial banks in the name of the fiscal agent banks.

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 - RECEIVABLES

The receivables of \$58,754 at June 30, 2023, include amounts for each fund as follows:

	<u>General Fund</u>	<u>Garbage Fund</u>	<u>Permanent Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Taxes					
Ad Valorem, net of allowance of \$830	\$ 1,300	\$ 0	\$ 0	\$ 0	\$ 1,300
Sales and Use	28,182	0	0	0	28,182
Franchise	8,140	0	0	0	8,140
Accounts Receivable	0	0	0	15,619	15,619
Due from Collection Agency	4,350	0	0	0	4,350
Other	<u>1,163</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,163</u>
Total	<u>\$ 43,135</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,619</u>	<u>\$ 58,754</u>

NOTE 4 - DUE FROM OTHER GOVERNMENTS

The amounts due from other governments of \$54,436 at June 30, 2023, include amounts for each fund as follows:

	<u>General Fund</u>	<u>Garbage Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Right-of-Way Maintenance	\$ 1,525	\$ 0	\$ 0	\$ 1,525
Grant	19,128	0	16,722	35,850
Town's Portion of 1/2% Tax from LPPJ	<u>0</u>	<u>17,061</u>	<u>0</u>	<u>17,061</u>
Total	<u>\$ 20,653</u>	<u>\$ 17,061</u>	<u>\$ 16,722</u>	<u>\$ 54,436</u>

Governmental funds did not report receivables that are not expected to be collected within 60 days of year end, which included \$18,707 due from a general fund grant and \$5,155 due from the Town's portion of a 1/2% tax from Lincoln Parish Police Jury.

NOTE 5 - INTERFUND RECEIVABLE/PAYABLE

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

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 30,452	\$ 0
Special Revenue Fund-Garbage Fund	57,720	10,548
Utility Fund	<u>0</u>	<u>77,624</u>
Totals	<u>\$ 88,172</u>	<u>\$ 88,172</u>

The funds periodically submit reimbursements to the other funds.

NOTE 6 - RESTRICTED ASSETS

Restricted assets were applicable to the following at June 30, 2023:

General Fund	
Flag Fund	\$ 1,381
Community Projects	4,085
Grant	<u>253,403</u>
Total Restricted Assets	<u>\$ 258,869</u>
Proprietary Fund	
Customers' Deposits	\$ 54,521
	<u>0</u>
Total Restricted Assets	<u>\$ 54,521</u>

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2023, for the Town of Dubach are as follows:

	Beginning Balance <u>07/01/22</u>	Additions	Deletions	Ending Balance <u>06/30/23</u>
Governmental Activities:				
Capital Assets				
Land	\$ 65,547	\$ 0	\$ 0	\$ 65,547
Construction in Progress	3,500	6,000	0	9,500
Buildings and Building Improvements	224,317	0	0	224,317
Improvements Other than Buildings	94,946	9,000	0	103,946
Streets	251,245	0	0	251,245
Machinery and Equipment	<u>393,888</u>	<u>1,626</u>	<u>0</u>	<u>395,514</u>
Total Capital Assets	<u>1,033,443</u>	<u>16,626</u>	<u>0</u>	<u>1,050,069</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	171,242	4,536	0	175,778
Improvements Other than Buildings	57,674	3,774	0	61,448
Streets	198,901	12,563	0	211,464
Machinery and Equipment	<u>345,757</u>	<u>19,995</u>	<u>0</u>	<u>365,752</u>
Total Accumulated Depreciation	<u>773,574</u>	<u>40,868</u>	<u>0</u>	<u>814,442</u>
Governmental Capital Assets, Net	<u>\$ 259,869</u>	<u>\$ (24,242)</u>	<u>\$ 0</u>	<u>\$ 235,627</u>
Business-Type Activities:				
Capital Assets				
Land	\$ 17,925	\$ 0	\$ 0	\$ 17,925
Buildings	0	4,943	0	4,943
Construction in Progress	711,762	2,000	713,762	0
Water and Sewer Systems	3,785,281	713,762	0	4,499,043
Machinery and Equipment	<u>94,734</u>	<u>0</u>	<u>0</u>	<u>94,734</u>
Total	<u>4,609,702</u>	<u>715,762</u>	<u>713,762</u>	<u>4,616,645</u>
Less Accumulated Depreciation for:				
Water and Sewer Systems	2,368,678	88,420	0	2,457,098
Buildings	0	138	0	138
Machinery and Equipment	<u>34,804</u>	<u>13,220</u>	<u>0</u>	<u>48,024</u>
Total Accumulated Depreciation	<u>2,403,482</u>	<u>101,778</u>	<u>0</u>	<u>2,505,260</u>
Business-Type Capital Assets, Net	<u>\$ 2,206,220</u>	<u>\$ 613,984</u>	<u>\$ 713,762</u>	<u>\$ 2,111,385</u>

Depreciation expense of \$40,868 for the year ended June 30, 2023, was charged to the following governmental functions:

General Government	\$ 23,765
Police	13,795
Highways and Streets	1,633
Sanitation	1,000
Cemetery	<u>675</u>
Total Governmental Depreciation Expense	<u>\$ 40,868</u>

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 - ON-BEHALF PAYMENTS

Employees of the Town of Dubach's Police Department received salary supplements of \$7,100 from the State of Louisiana for the year ended June 30, 2023. There were no fringe benefits paid on this supplemental salary.

NOTE 9 - DEFERRED REVENUE

Governmental funds reported deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year \$254,656 was recognized in governmental funds. The various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent Property Taxes Receivable (General Fund)	\$ 1,252	\$ 0
Grants with unmet Eligibility Requirements (General Fund)	<u>0</u>	<u>253,403</u>
Totals	<u>\$ 1,252</u>	<u>\$ 253,403</u>

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

NOTE 10 - COMMITMENTS

The Town of Dubach has one active project as of June 30, 2023, a government activities project for improvements to the Old Mill Pond Park that include a concrete walking trail, painting the existing park equipment and restrooms, demolition of the existing pavilion, and constructing of a new pavilion.

The project is financed with a Louisiana Community Development Block Grant of \$125,000 and funds provided by the Town. There are signed contracts of \$26,500 for administrative fees and \$18,000 for engineering fees that are not completed as of June 30, 2023. The Town's general fund will be used to pay the contract for administrative fees. The engineering fees contract will be financed with the grant funds.

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

	<u>Charges Incurred</u>	<u>Remaining Commitment</u>
Meyer, Meyer, LaCroix & Hixson Engineers (MML&H)	\$ 0	\$ 18,000
Frye Magee and Associates, Inc.	<u>9,500</u>	<u>17,000</u>
Total	<u>\$ 9,500</u>	<u>\$ 35,000</u>

**REQUIRED SUPPLEMENTAL INFORMATION
(PART II)**

TOWN OF DUBACH, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
--BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
REVENUES				
Taxes				
Ad Valorem	\$ 25,000	\$ 21,000	\$ 27,365	\$ 6,365
Franchise	39,000	35,000	44,784	9,784
Sales and Use	147,000	77,000	145,006	68,006
Licenses	41,000	40,000	57,268	17,268
Intergovernmental				
Hotel Tax	6,300	5,000	7,672	2,672
Supplemental Pay-Police	9,500	18,000	7,100	(10,900)
Grants	391,356	69,100	8,920	(60,180)
Right-of-Way Maintenance	3,050	3,050	3,050	0
Charges for Services	15,000	6,000	12,110	6,110
Fines	20,000	90,000	14,226	(75,774)
Investment Earnings	1,000	1,000	801	(199)
Contributions and Donations	0	0	12,259	12,259
Other Revenues				
Rent	8,000	1,500	6,125	4,625
Royalties and Gas Lease	2,300	1,000	2,648	1,648
Miscellaneous	400	400	898	498
TOTAL REVENUES	<u>708,906</u>	<u>368,050</u>	<u>350,232</u>	<u>(17,818)</u>
EXPENDITURES				
General Government	171,050	147,900	203,258	(55,358)
Police	117,700	119,900	116,609	3,291
Highways and Streets	21,000	19,800	23,562	(3,762)
Capital Outlay	125,000	500	7,626	(7,126)
TOTAL EXPENDITURES	<u>434,750</u>	<u>288,100</u>	<u>351,055</u>	<u>(62,955)</u>
NET CHANGE IN FUND BALANCE	274,156	79,950	(823)	(80,773)
FUND BALANCE-BEGINNING	<u>525,225</u>	<u>352,420</u>	<u>458,901</u>	<u>106,481</u>
FUND BALANCE-ENDING	<u>\$ 799,381</u>	<u>\$ 432,370</u>	<u>\$ 458,078</u>	<u>\$ 25,708</u>

TOWN OF DUBACH, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
--BUDGET AND ACTUAL - GARBAGE FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Budget Favorable (Unfavorable)</u>
REVENUES				
Charges for Services	\$ 34,000	\$ 24,000	\$ 38,204	\$ 14,204
Intergovernmental				
Town's Portion of 1/2% Tax	55,000	55,000	68,932	13,932
Investment Earnings	<u>300</u>	<u>500</u>	<u>1,072</u>	<u>572</u>
TOTAL REVENUES	<u>89,300</u>	<u>79,500</u>	<u>108,208</u>	<u>28,708</u>
EXPENDITURES				
Sanitation	<u>80,250</u>	<u>96,050</u>	<u>89,391</u>	<u>6,659</u>
TOTAL EXPENDITURES	<u>80,250</u>	<u>96,050</u>	<u>89,391</u>	<u>6,659</u>
NET CHANGES IN FUND BALANCE	9,050	(16,550)	18,817	35,367
FUND BALANCE-BEGINNING	<u>199,925</u>	<u>134,951</u>	<u>212,953</u>	<u>78,002</u>
FUND BALANCE-ENDING	<u>\$ 208,975</u>	<u>\$ 118,401</u>	<u>\$ 231,770</u>	<u>\$ 113,369</u>

OTHER REPORTS

DON M. McGEHEE
(A Professional Accounting Corporation)

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

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

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Dubach, Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Dubach's basic financial statements and have issued my report thereon dated February 28, 2024.

Report on Internal Control Over Financial Reporting

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

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, I identified certain deficiencies in internal control that I consider to be material weaknesses and significant deficiencies.

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

I consider the deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as #2023-1 to be a material weakness, as described above.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I consider the deficiency described as #2023-2 in the accompanying schedule of findings and questioned costs to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Dubach's financial statements are free from material misstatement, I performed tests on its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed two instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as #2023-3 and #2023-4.

Town of Dubach's Response to Findings

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

Purpose of this Report

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



Don M. McGehee
Certified Public Accountant
February 28, 2024

TOWN OF DUBACH, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

I have audited the financial statements of the Town of Dubach, Louisiana, as of and for the year ended June 30, 2023, and have issued my report thereon dated February 28, 2024. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2023 resulted in an unqualified opinion. The following is a summary of my audit observations on internal control, tests of compliance, and findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards:

Section 1 Summary of Auditors' Reports

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

Section 2 Financial Statement Findings

Finding 2023-1. Inadequate Segregation of Duties. The Town of Dubach's is required to design internal controls with proper segregation of duties to prevent, or detect and correct, misstatements in the accounting system. The Town has inadequate segregation of duties in the accounting system because there are too few personnel involved in the accounting system. The Town's financial statements could have a misstatement that would not be prevented, or detected and corrected.

Finding 2023-2. Inadequate Controls over Preparation of the Financial Statements. The Town of Dubach is required to have controls in place over the financial reporting process to prevent, or detect and correct, misstatements in the financial statements. The Town does not have sufficient controls in place to ensure that the financial statements are in conformity with GAAP because personnel for the Town of Dubach do not have sufficient financial expertise to prepare the financial statements without some technical assistance in applying accounting principles that are in conformity with GAAP. The Town's financial statements could have a misstatement that would not be prevented, or detected and corrected.

Finding 2023-3. Unfavorable Budget Variance. State law requires the budget to be amended when there is a 5% unfavorable variance anticipated in expenditures. The general fund expenditures had a 22% unfavorable budget variance when compared to actual expenditures. The budget was amended, but there were not enough amendments to reduce the variance to 5%. It appears that the clerk inadvertently used the 2022 budget instead of the 2023 budget when preparing the amended budget.

Finding 2023-4. Late Submission of Audit Report. State law requires the annual audited financial statements be submitted to the Louisiana Legislative Auditor within six months of year end. The Town did not submit their audited financial statements until February 28, 2024. Certain audit information was not available in a timely manner to perform and complete the audit until after December 31, 2023.

TOWN OF DUBACH, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2023

The findings from the Schedule of Findings and Questioned Costs for the year ended June 30, 2023, are discussed below with management's response for a corrective action plan.

INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

Finding 2023-1. Inadequate Segregation of Duties. The Town is required to design internal control with proper segregation of duties to prevent, or detect and correct, misstatements in the accounting system. There are too few personnel involved in the accounting system to have adequate segregation of duties for internal control. Recommend that the Town involve additional personnel in the accounting system to allow for adequate segregation of duties.

Response: The Town has an accounting workload that can be easily managed by two full-time employees and one part-time employee. The hiring of additional employees to provide enhanced internal control does not appear to be the best use of the Town's resources.

Finding 2023-2. Inadequate Controls over Preparation of the Financial Statements. The Town is required to have controls in place to prevent, or detect and correct, misstatements in the financial statements. Personnel do not have sufficient financial expertise to prepare the financial statements without some technical assistance in applying accounting principles that are in conformity with GAAP. Recommend controls be strengthened by providing personnel with additional training.

Response: The Town has employees with the ability to record cash receipts and disbursements, prepare adjusting entries, and prepare draft financial statements. However, there are times that they do not have the expertise to apply certain accounting principles. Employees are receiving some training, and the Town encourages them to use all technical assistance available.

Finding 2023-3. Unfavorable Budget Variance.

The general fund had an unfavorable budget variance of 22% from actual expenditures. According to state law, the budget should be amended when anticipated amounts exceed budget estimates by more than 5%. It appears that when budget amendments were made that 2022 general fund budget was used rather than the 2023 budget to determine the amended budget. I recommend that the budget and actual amounts be monitored and when unfavorable budget estimates in excess of 5% have been identified by the clerk, that the mayor prepare budget amendments to propose to the council for approval.

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

Finding 2023-4. Late Submission of Audit. The Town of Dubach's annual audit was not submitted to the Legislative Auditor within six months of year end, as required by state law. Certain audit information was not available in a timely manner to perform and complete the audit until after the six month due date. I recommend providing the required information earlier such that the audit can be filed on a timely basis.

Response: The Town clerk resigned during the year and a new clerk was hired. The new clerk was unfamiliar with the audit process and did not have knowledge of the Town activity and files until she was hired in February, 2023. She provided the auditor with the information she thought was needed, but was unaware that several things were missing. The clerk, Shekeena Nathan, has a much better understanding of the audit process now and plans to provide all the information the auditor needs earlier for the year ending June 30, 2024.

TOWN OF DUBACH, LOUISIANA
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

FINDINGS	MANAGEMENT'S RESPONSES
2022-1. Separation of Duties. Too few personnel involved in the accounting system to have adequate separation of duties for internal control.	Unresolved. See Finding 2023-1.
2022-2. Preparation of Financial Statements. Personnel do not have sufficient financial expertise to prepare the financial statements without some technical assistance in applying accounting principles that are in conformity with GAAP.	Unresolved. See Finding 2023-2.
2023-3. Noncompliance with Public Bid Law. The Town of Dubach did not follow the public bid law for the purchase of a truck.	Resolved.

OTHER SUPPLEMENTAL INFORMATION

TOWN OF DUBACH, LOUISIANA
SCHEDULE OF PER DIEM PAYMENTS TO COUNCIL MEMBERS
FOR THE YEAR ENDED JUNE 30, 2023

<u>Council Members</u>	<u>Amount</u>
Mary Billberry	\$ 2,400
Angela Dunn	2,400
Evelyn Graham	2,400
Christopher Moerbe	2,400
Monique Roberts	<u>2,400</u>
Total	<u>\$ 12,000</u>

TOWN OF DUBACH, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO THE MAYOR
FOR THE YEAR ENDED JUNE 30, 2023

Mayor, Mona Wilson:

<u>Purpose</u>	<u>Amount</u>
Salaries	\$ 19,300
Travel	199
Registration Fee	250
Reimbursements	247

TOWN OF DUBACH, LOUISIANA

**SCHEDULE OF JUSTICE SYSTEM FUNDING - RECEIVING
FOR THE YEAR ENDED JUNE 30, 2023**

As Required by Act 87 of the 2020 Regular Legislative Session

	<u>First Six Month Period Ended 12/31/22</u>	<u>Second Six Month Period Ended 6/30/23</u>
Receipts From:		
Louisiana Department of Public Safety, Criminal Court Costs/Fees	\$ 50	\$ 125
	<u>0</u>	<u>0</u>
Total Receipts	<u>\$ 50</u>	<u>\$ 125</u>
Ending Balance of Amounts Assessed but Not Received	<u>\$ 0</u>	<u>\$ 0</u>

TOWN OF DUBACH, LOUISIANA

**SCHEDULE OF JUSTICE SYSTEM FUNDING - COLLECTING/DISBURSING
FOR THE YEAR ENDED JUNE 30, 2023**

As Required by Act 87 of the 2020 Regular Legislative Session

	<u>First Six Month Period Ended 12/31/22</u>	<u>Second Six Month Period Ended 6/30/23</u>
Beginning Balance of Amounts Collected	\$ 0	\$ 0
Add: Collections		
Criminal Fines - Other	<u>7,994</u>	<u>5,994</u>
Subtotal Collections	<u>7,994</u>	<u>5,994</u>
Less: Disbursements to Governments and Nonprofits		
DHH-TH/SCI T.F.	235	185
Louisiana Supreme Court	26	18
North Louisiana Criminalistics Lab	1,530	1,130
Louisiana Commission on Law Enforcement	100	80
CMIS	51	37
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collections	0	0
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amounts	0	0
Amounts "Self-Disbursed" to Collecting Agency Criminal Fines - Other	6,052	4,544
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Other Disbursements to Individuals	<u>0</u>	<u>0</u>
Subtotal Disbursements/Retainage	<u>7,994</u>	<u>5,994</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ 0</u>	<u>\$ 0</u>
Ending Balance of "Partial Payments" Collected but not Disbursed	<u>\$ 0</u>	<u>\$ 0</u>

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

**TOWN OF DUBACH
LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES
JUNE 30, 2023**

DON M. McGEHEE
(A Professional Accounting Corporation)

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

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

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

I have performed the procedures enumerated below, which were agreed to by Town of Dubach and the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. The Entity's management is responsible for those C/C areas identified in the SAUPs.

The Town of Dubach has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2) Board (or Finance Committee, if applicable)

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions were found as a result of this procedure.

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

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

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

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

Not applicable.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

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

Management's Response: The Town of Dubach council members did not plan to take corrective action for the Inadequate Segregation of Duties or the Inadequate Controls over Preparation of Financial Statements. They do plan to be in compliance with the public bid law the next time they have a purchase that requires them to follow the public bid law.

3) Bank Reconciliations

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

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

No exceptions were found as a result of this procedure.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

No exceptions were found as a result of this procedure.

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

Management did not have documentation reflecting that it has researched reconciling items that have been outstanding for 12 months or longer as of the end of the fiscal period.

Management's Response: The clerk for Town of Dubach resigned during the year and a new clerk was hired. The new clerk will research the outstanding items over 12 months old and take appropriate action in 2024.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

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

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

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

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

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

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

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

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

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

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

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

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

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

No exceptions were found as a result of this procedure.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

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

No exceptions were found as a result of this procedure.

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

There was one exception, a deposit did not have supporting collection documentation.

Management's Response: Collection of water and sewer billings are posted to the computer when received. At the end of the day, a report is printed with the amount of collections for the day and reconciled to the deposit slip. The clerk was unable to find a copy of the report for one deposit selected. They will be more diligent in maintaining a record of these reports in 2024.

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

No exceptions were found as a result of this procedure.

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

One exception, a deposit of \$4,551.54 for a check from the Lincoln Parish Police Jury Solid Waste Fund was not made until two business days after receipt.

Management's Response: The Town of Dubach makes daily deposits, but will be more diligent in making sure all checks are deposited within one business day of receipt.

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

No exceptions were found as a result of this procedure.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

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

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

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

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

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

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

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

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

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

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

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

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

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

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

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

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

Management did not provide us with documentation for one disbursement.

Management's Response: The clerk could not find the supporting documentation for a payment to Lowe's for \$184.57. The check was properly approved with two signatures. The Town will be more diligent in maintaining records of supporting documentation.

- 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.

All disbursements selected included documentation that two authorized employees signed the checks. There was no other evidence of segregation of duties.

Management's Response: The Town does not have written policies in place requiring documentation of segregation of duties. The Town will develop policies to provide this documentation in 2024.

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.

Management did not provide us with any evidence of approval of the four electronic disbursements selected for testing by persons authorized to disburse funds or by the required number of authorized signers.

Management's Response: The Town of Dubach does not have a policy requiring documentation of approval for electronic disbursements. The Town will develop policies to provide this documentation in 2024.

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

A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

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

B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder; and

None of the statements selected appeared to have been reviewed and approved by someone other than the authorized card holder.

Management's Response: The Town of Dubach has no written policies requiring written evidence that the credit card statements were reviewed and approved. The Town will develop policies that require the documentation of review and approval of credit card purchases.

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

No exceptions were found as a result of this procedure.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as "missing receipt statement" that is subject to increased scrutiny.

Management did not provide us with itemized receipts for two of the eight transactions tested. There was no written documentation of the business/public purpose for two of the transactions. The missing receipts were both for charges to the Dollar Store, one was for \$8.46 and the other was \$37.98. There were no compensating controls to address missing receipts.

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

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

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

None of the reimbursements selected used a per diem.

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

No exceptions were found as a result of this procedure.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

No exceptions were found as a result of this procedure.

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

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

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

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions were found as a result of this procedure.

9) Payroll and Personnel

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

No exceptions were found as a result of this procedure.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
All selected employees that earn leave documented their daily attendance and leave.
 - ii. Observe whether supervisors approved the attendance and leave of the selected employee or officials;
No exceptions were found as a result of this procedure.
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
No exceptions were found as a result of this procedure.
 - iv. Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
No exceptions were found as a result of this procedure.
- C. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
No exceptions were found as a result of this procedure.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, and workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.
No exceptions were found as a result of this procedure.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
All selected employees/officials had completed one hour of ethics training during the fiscal period, except one.
Management's Response: There was one official that had not completed the ethics training during the fiscal period, but they will complete it as soon as possible.
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
There were no changes in the Town's ethics policy during the fiscal period.

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

The Town has appointed an ethics designee.

11) Debt Service

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

The Town had no outstanding debt during the fiscal period.

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

The Town had no outstanding debt during the fiscal period.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

The Town had no misappropriations of public funds and assets during the fiscal period.

- B. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions were found as a result of this procedure.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedures and discussed the results with management.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedures and discussed the results with management.

- iii. Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedures and discussed the results with management.

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

No exceptions were found as a result of this procedure.

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.

All employees/officials completed at least one hour of sexual harassment training during the calendar year, except two officials and one employee.

Management's Response: The officials and employee that had not completed the sexual harassment training during the calendar year will complete it as soon as possible in the current year.

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

No exceptions were found as a result of this procedure.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

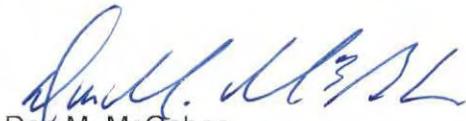
The report was not dated on or before February 1, but as indicated above the report included the applicable requirements.

Management's Response: The Town of Dubach will file an annual sexual harassment report on or before February 1 each year as a public record.

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

I am required to be independent of the The Town of Dubach and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my agreed-upon procedures engagement,

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



Don M. McGehee
Certified Public Accountant
February 28, 2024