

Town of Gibsland
Gibsland, Louisiana

Annual Financial Statements
For the Year Ended June 30, 2025

Town of Gibbsland

Annual Financial Statements
For the Year Ended June 30, 2025
With Supplemental Information Schedules

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Wade & Perry, CPAs
A Professional Accounting Corporation
Members: AICPA/ Society of LCPA's
Independent Auditor's Report

Mayor and Board of Aldermen
Town of Gibsland
Gibsland, LA

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Gibsland (Town) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements listed in the table of contents.

In our 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, and each major fund of the Town as of June 30, 2025, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for

one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 22 through 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The schedule of compensation, benefits, and other payments to agency head

on page 27 is presented for purposes of additional analysis and is not a required part of the 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated April 27, 2026, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on 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's internal control over financial reporting and compliance.



Ruston, Louisiana
April 27, 2026

Town of Gibsland, Louisiana
Statement of Net Position
As of June 30, 2025

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
ASSETS			
Cash and equivalents	\$101,383	\$62,090	\$163,473
Receivables	26,198	136,839	163,037
Internal balances	(44,731)	44,731	0
Restricted assets	0	39,610	39,610
Other assets	0	0	0
Capital assets (net)	191,054	2,994,478	3,185,532
TOTAL ASSETS	<u>\$273,904</u>	<u>\$3,277,748</u>	<u>\$3,551,652</u>
Deferred outflows of resources	0	0	0
LIABILITIES			
Cash overdraft	\$0	\$0	\$0
Accounts, salaries, and other payables	21,145	35,335	56,480
Current lease liability	0	23,602	23,602
Liabilities payable from restricted assets	0	39,610	39,610
Lease liability	0	47,439	47,439
TOTAL LIABILITIES	<u>21,145</u>	<u>145,986</u>	<u>167,131</u>
Deferred inflows of resources	0	0	0
NET POSITION			
Invested in capital assets, net of related debt	191,054	2,923,437	3,114,491
Restricted for customers	0	39,610	39,610
Restricted for debt	0	71,041	71,041
Unrestricted	61,705	97,674	159,379
TOTAL NET POSITION	<u>\$252,759</u>	<u>\$3,131,762</u>	<u>\$3,384,521</u>

The accompanying notes are an integral part of this statement.

Town of Gibsland, Louisiana
Statement of Activities
Year Ended June 30, 2025

	Program Revenues			Net (Expenses) Revenues and Changes of Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$284,685				(\$284,685)		(\$284,685)
Public safety	74,139	\$9,259			(64,880)		(64,880)
Depreciation	24,449				(24,449)		(24,449)
Total governmental activities	383,273	9,259	0	0	(374,014)	0	(374,014)
Business-type activities:							
Water utilities	224,363	209,530				(\$14,833)	(14,833)
Sewer utilities	243,036	109,161		247,037		113,162	113,162
Total business-type activities	467,399	318,691	0	247,037	0	98,329	98,329
Total primary government	\$850,672	\$327,950	\$0	\$247,037	(\$374,014)	\$98,329	(\$275,685)
General revenues:							
Ad valorem taxes					\$33,273		\$33,273
Sales taxes					168,133		168,133
Other taxes					37,961		37,961
Franchise fees					46,612		46,612
Licenses and permits					3,773		3,773
Use of money and property					0		0
Other general revenues					11,990		11,990
Gain on disposition of asset					(5,271)	5,152	(119)
Transfers - net					(28,084)	28,084	0
Total general revenues and transfers					268,387	33,236	301,623
Change in Net Position					(105,627)	131,565	25,938
Net Position - beginning					358,386	3,000,197	3,358,583
Prior period adjustment					0	0	0
Net Position - ending					\$252,759	\$3,131,762	\$3,384,521

The accompanying notes are an integral part of this statement.

Town of Gibsland, Louisiana
 Balance Sheet, Governmental Funds
 June 30, 2025

	General Fund	Total Governmental Funds
ASSETS		
Cash and cash investments	\$101,383	\$101,383
Receivable	26,198	26,198
Interfunds	186,417	186,417
Other assets	0	0
TOTAL ASSETS	<u>\$313,998</u>	<u>\$313,998</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Cash overdraft	\$0	\$0
Accounts, salaries, and other payables	21,145	21,145
Interfunds	<u>231,148</u>	<u>231,148</u>
Total liabilities	<u>252,293</u>	<u>252,293</u>
Fund balances:		
Unassigned	<u>61,705</u>	<u>61,705</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$313,998</u>	<u>\$313,998</u>

The accompanying notes are an integral part of this statement.

Town of Gibsland, Louisiana
 Reconciliation of The Governmental Funds Balance Sheet
 to The Government-Wide Financial Statement of Net Position
 June 30, 2025

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund balances, Total governmental funds (Statement C)		\$61,705
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Governmental capital assets	\$444,169	
Less accumulated depreciation	<u>(253,115)</u>	<u>191,054</u>
Net Position of Governmental Activities (Statement A)		<u><u>\$252,759</u></u>

The accompanying notes are an integral part of this statement.

Town of Gibsland, Louisiana
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2025

	General Fund
REVENUES	
Taxes:	
Ad valorem	\$33,273
Sales and use	168,133
Other	37,961
Franchise fees	46,612
Licenses and permits	3,773
Fines and forfeitures	9,259
Intergovernmental	7,200
Use of money and property	0
Other revenues	4,791
Total Revenues	<u>311,002</u>
EXPENDITURES	
General government	284,685
Public safety	74,139
Capital outlay	0
Total Expenditures	<u>358,824</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(47,822)
OTHER FINANCING SOURCES (USES)	
Sale of assets	600
Operating transfers in	624
Operating transfers out	(28,709)
Total Other Financing Sources (Uses)	<u>(27,485)</u>
Net Change in Fund Balance	(75,307)
Fund Balance – beginning	137,012
Prior period adjustment	0
Fund Balance – ending	<u><u>\$61,705</u></u>

The accompanying notes are an integral part of this statement.

Town of Gibsland
 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, 2025

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total governmental funds (Statement E)	(\$75,307)
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Only the gain on the sale is reported in the statement of activities, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost basis of asset sold.	(5,871)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$0) exceeded depreciation (\$24,449) in the current period.	(\$24,449)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	<u>0</u>
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Change in Net Position of Governmental Activities (Statement B)	<u><u>(\$105,627)</u></u>
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The accompanying notes are an integral part of this statement.

Town of Gibsland, Louisiana
Statement of Net Position, Proprietary Funds
June 30, 2025

	Business-Type Activities - Enterprise Funds			
			Totals	
	Water	Sewer	(Memorandum Only)	
	Fund	Fund	2025	2024
ASSETS				
Current assets:				
Cash and equivalents	\$26,999	\$35,091	\$62,090	\$55,423
Receivables	83,904	52,935	136,839	132,414
Interfunds	557,250	224,144	781,394	747,391
Total current assets	668,153	312,170	980,323	935,228
Restricted assets:				
Cash and equivalents	39,610	0	39,610	37,986
Non-current assets:				
Capital assets (net of accumulated depreciation)	492,026	2,502,452	2,994,478	2,884,813
Total Non-current assets	492,026	2,502,452	2,994,478	2,884,813
TOTAL ASSETS	\$1,199,789	\$2,814,622	\$4,014,411	\$3,858,027
LIABILITIES				
Current Liabilities:				
Cash overdraft	\$0	\$0	\$0	\$0
Accounts, salaries, and other payables	27,084	8,251	35,335	19,247
Interfunds	235,646	501,017	736,663	707,432
Lease liability - current	0	23,602	23,602	20,226
Total current liabilities	262,730	532,870	795,600	746,905
Current liabilities payable from restricted assets	39,610	0	39,610	37,986
Non-current liabilities:				
Lease liability	0	47,439	47,439	72,939
Total non-current liabilities	0	47,439	47,439	72,939
Total liabilities	302,340	580,309	882,649	857,830
NET POSITION				
Net investment in capital assets	492,026	2,431,411	2,923,437	2,791,648
Restricted for customers	39,610	0	39,610	37,986
Restricted for debt	0	71,041	71,041	93,165
Unrestricted	365,813	(268,139)	97,674	77,398
TOTAL NET POSITION	\$897,449	\$2,234,313	\$3,131,762	\$3,000,197

The accompanying notes are an integral part of this statement.

Town of Gibsland, Louisiana
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds			
	Water Fund	Sewer Fund	Totals Memorandum only)	
			2025	2024
Operating Revenues				
Charges for services:				
Water sales	\$209,530	\$0	\$209,530	\$220,133
Sewer charges	0	108,434	108,434	108,082
Other services	0	727	727	0
Total Operating Revenues	209,530	109,161	318,691	328,215
Operating Expenses				
Cost of sales and services	136,209	110,233	246,442	327,009
Administration	43,525	27,105	70,630	50,760
Amortization	0	24,179	24,179	4,030
Depreciation	44,629	76,131	120,760	126,903
Total Operating Expenses	224,363	237,648	462,011	508,702
Operating income (loss)	(14,833)	(128,487)	(143,320)	(180,487)
Nonoperating revenue (expenses)				
Gain on sale of asset	5,152	0	5,152	0
Grant income	0	247,037	247,037	320,085
Interest expense	0	(5,388)	(5,388)	(1,035)
Lease financing	0	0	0	96,715
Total Nonoperating Revenue (Expenses)	5,152	241,649	246,801	415,765
Income before contributions and transfers	(9,681)	113,162	103,481	235,278
Transfers in	4,893	30,693	35,586	127,170
Transfers out	(7,502)	0	(7,502)	(12,122)
Change in Net Position	(12,290)	143,855	131,565	350,326
Total Net Position - Beginning	909,739	2,090,458	3,000,197	2,649,871
Prior period adjustment	0	0	0	0
Total Net Position - Ending	<u>\$897,449</u>	<u>\$2,234,313</u>	<u>\$3,131,762</u>	<u>\$3,000,197</u>

The accompanying notes are an integral part of this statement.

Town of Gibsland, Louisiana
Statement of Cash Flows, Proprietary Funds
For the Year Ended June 30, 2025

	Water Fund	Sewer Fund	Total (Memo only)	2024
Cash Flows from Operating Activities				
Receipts from customers and users	\$177,150	\$104,737	\$281,887	\$303,625
Payments to suppliers	(116,575)	(75,637)	(192,212)	(138,346)
Payments to employees	(50,833)	(50,833)	(101,666)	(115,493)
Net Cash Provided by Operating Activities	<u>9,742</u>	<u>(21,733)</u>	<u>(11,991)</u>	<u>49,786</u>
Cash Flows from Noncapital Financing Activities				
Transfer to other funds	(7,502)	0	(7,502)	(12,122)
Advances from other funds	<u>4,893</u>	<u>30,693</u>	<u>35,586</u>	<u>127,170</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(2,609)</u>	<u>30,693</u>	<u>28,084</u>	<u>115,048</u>
Cash Flows from Capital and Related Financing Activities				
Purchases of capital assets	0	(254,603)	(254,603)	(528,005)
Lease financing	0	0	0	96,715
Grant income	0	247,037	247,037	320,085
Principal paid on capital debt	0	0	0	0
Interest paid on capital debt	0	(5,388)	(5,388)	(1,035)
Gain on disposition of asset	<u>5,152</u>	<u>0</u>	<u>5,152</u>	<u>0</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>5,152</u>	<u>(12,954)</u>	<u>(7,802)</u>	<u>(112,240)</u>
Cash Flows from Investing Activities				
Interest and dividends received	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Cash Provided by Investing Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Increase in Cash and equivalents	12,285	(3,994)	8,291	52,594
Cash and equivalents, Beginning of Year	<u>54,324</u>	<u>39,085</u>	<u>93,409</u>	<u>40,815</u>
Cash and equivalents, End of Year	<u>\$66,609</u>	<u>\$35,091</u>	<u>\$101,700</u>	<u>\$93,409</u>
Reconciliation of Operating Income to Net Cash Provided (used) by Operating Activities				
Operating income	(\$14,833)	(\$128,487)	(\$143,320)	(\$180,487)
Depreciation/amortization expense	44,629	100,310	144,939	130,933
(Increase) decrease in accounts receivable	0	(4,425)	(4,425)	0
(Increase) decrease in due from other funds	(34,004)	0	(34,004)	(26,326)
Increase (decrease) in lease liability	0	(22,124)	(22,124)	93,165
Increase (decrease) in customer deposits	1,624	0	1,624	1,736
Increase (decrease) in accounts payable	11,947	4,141	16,088	(4,581)
Increase (decrease) in due to other funds	<u>379</u>	<u>28,852</u>	<u>29,231</u>	<u>35,343</u>
Net Cash Provided by Operating Activities	<u>\$9,742</u>	<u>(\$21,733)</u>	<u>(\$11,991)</u>	<u>\$49,783</u>
Reconciliation of total cash and cash investments:				
Current assets - cash and cash investments	\$26,999	\$35,091	\$62,090	\$55,423
Restricted assets - cash and cash investments	<u>39,610</u>	<u>0</u>	<u>39,610</u>	<u>37,986</u>
Total cash and cash investments	<u>\$66,609</u>	<u>\$35,091</u>	<u>\$101,700</u>	<u>\$93,409</u>

The accompanying notes are an integral part of this statement.

Town of Gibsland, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2025

INTRODUCTION

The Town was incorporated under the provisions of Louisiana Revised Statutes 33:52. The Town operates under a form of government consisting of an elected mayor and a Town council, which has five elected members. The Town, with 7 employees, provides public safety, public works, utility services, and administrative services to its residents. The Town consists of approximately 1,000 citizens.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Town 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 GASB Statement No. 14, fiscally independent means that the Town 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Town have been prepared in conformity with U.S. generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

In June, 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Town's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the Town's activities, including infrastructure (if any).
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

A. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Town of Gibsland, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2025

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The Town reports the following major governmental funds:

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

The Town reports the following major proprietary funds:

The Water fund is to account for the provision of water services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, but not limited to, administration, operations, maintenance, financing, and related debt service and billing.

The Sewer fund is to account for the provision of sewer services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, but not limited to, administration, operations, maintenance, financing, and related debt service and billing.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

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

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

Town of Gibsland, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2025

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Principal operating revenues of the proprietary funds include water and sewer services to the residents of the Town. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

C. Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Town's investment policy allow the Town to invest in collateralized certificates of deposits, government back securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities. Investments for the Town are reported at fair value.

D. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectives. The Town calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

<u>Taxes due for:</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General operations and maintenance	12.90	9.01	6/30/25

The following are the principal taxpayers and related property tax revenue for the Town:

<u>Taxpayer</u>	<u>Type of business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Ad valorem Tax Revenue for Town</u>
Gibsland Bank & Trust	financial institution	663,453	17.97%	\$5,978
Kansas City Southern	railroad	233,220	6.32%	2,101
Total		<u>896,673</u>	<u>24.28%</u>	<u>\$8,079</u>

Sales Taxes. Sales taxes are collected by Bienville parish sales and use tax commission and remitted to the Town. Amounts remitted during the current period and amounts collected by the governmental agency during the current period and remitted within 60 days to the Town are recognized as revenue. The Town's sales tax percentage is 2 per cent.

Town of Gibsland, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2025

E. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

F. Restricted Assets

Restricted assets include cash and cash investments in the Proprietary funds which are restricted to their use. These restrictions are principally related to requirements of bond issues and utility meter deposits. It is the Town's policy to use restricted assets before unrestricted assets for their intended purposes.

G. 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 or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$500 or more for capitalizing capital assets.

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

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

<u>Description</u>	<u>Estimated Lives</u>
Water and sewer system and lines	40 years
Buildings and improvements	10-27 years
Vehicles	3-5 years
Equipment	3-7 years

H. Compensated Absences

The Town has the following policy relating to vacation and sick leave:

The Town's full time employees accrue sick and vacation time on a monthly basis calculated on an 8 hour basis as follows: sick leave is 40 hours per year; vacation is 40 hours for over 1 year of employment, 80 hours for over 2 years; 120 hours for over 5 years; 160 hours for over 12 years, and 200 hours for over 20 years. Sick and vacation time is charged at not less than 4 hours. Vacation and sick time must be used by the next year end (June 30) and cannot be carried forward.

I. Long-Term Obligations

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

J. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented only for enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Town of Gibsland, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2025

K. Estimates

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

L. RISK MANAGEMENT

The town is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the town maintains commercial insurance policies covering its vehicles, professional liability and surety bond coverage. No claims were paid on any of the policies which exceeded to policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2025.

M. GOVERNMENTAL FUND BALANCE

Beginning with fiscal year 2011, the Town implemented GASB Statement 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

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

Restricted - 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 - amounts constrained to specific purpose 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 of action to remove or change the constraint.

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

The governing body 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 balances is established by the governing body 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).

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

BUDGET INFORMATION The Town uses the following budget practices:

The Town adopted a budget for the year ended June 30, 2025 for the General fund. The Town follows the following procedures in establishing the budgetary data reflected in the financial statements. During the June meeting, the Town clerk submits to the board of aldermen a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and expenses and the means of financing them. During the June meeting, the budget is legally enacted through passage of an ordinance. The public is invited to attend all meetings. The Town clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures or expenses of any fund must be approved by the board of aldermen. Appropriations lapse at the end of the year. There was one budget amendment.

Town of Gibsland, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2025

3. CASH AND CASH EQUIVALENTS

At June 30, 2025, the Town has cash and cash equivalents (book balances) totaling \$203,083.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the 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 or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the town that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Town's name.

These deposits are secured as follows:

Bank balances	<u>\$220,396</u>
Federal deposit insurance	\$220,396
Pledged securities (uncollateralized)	<u>325,603</u>
Total	<u>\$545,999</u>

4. RECEIVABLES

The receivables at June 30, 2025, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Utility Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Sales and use taxes	\$7,766			\$7,766
Franchise fees	10,177			10,177
Ad valorem taxes	0			0
Other	8,255			8,255
Accounts		\$83,904	\$52,935	136,839
Total	<u>\$26,198</u>	<u>\$83,904</u>	<u>\$52,935</u>	<u>\$163,037</u>

The Town's policy for bad debt accounting and write-offs is to send a letter to the occupant and owner after the due date. After 60 days, the utility line is sealed close. Reconnect fees must be paid to have service resumed. For deceased accounts, the clerk requests permission from the board to adjust the accounts to close.

5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2025 is as follows:

<u>Fund</u>	<u>Due from</u>	<u>Due to</u>
General fund	\$186,417	\$231,148
Water fund	557,250	235,646
Sewer fund	224,144	501,017
Total	<u>\$967,811</u>	<u>\$967,811</u>

The balances consist of allocations for accounting fees, payroll and payroll taxes.

Town of Gibsland, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2025

6. CAPITAL ASSETS

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

	Beginning Balance	Adjustment	Increases	Decreases	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$23,642				\$23,642
Total capital assets not being depreciated	23,642	0	0	0	23,642
Vehicles	36,984				36,984
Buildings	44,513				44,513
Improvements other than buildings	227,010				227,010
Machinery and equipment	94,515			(\$10,484)	84,031
Infrastructure	27,989				27,989
Total capital assets being depreciated	431,011	0	0	(10,484)	420,527
Accumulated depreciation	233,279		\$24,449	(4,613)	253,115
Total capital assets being depreciated, net	\$221,374	\$0	(\$24,449)	(\$5,871)	\$191,054

Depreciation expense of \$24,449 was charged to the general government function.

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$49,175			\$49,175
Construction in progress	429,061		(429,061)	0
Total capital assets not being depreciated	478,236	0	(429,061)	49,175
Capital assets being depreciated:				
Buildings	49,094			49,094
Improvements other than buildings	5,921,294	\$683,665		6,604,959
Equipment	181,469		(26,000)	155,469
Vehicles	27,016			27,016
Total capital assets being depreciated/amortized	6,178,873	683,665	(26,000)	6,836,538
Less accumulated depreciation/amortization	3,772,296	144,939	(26,000)	3,891,235
Total business-type assets being depreciated, net	\$2,406,577	\$538,726	\$0	\$2,994,478

7. LEASES

In April, 2024, the Town entered into a 48-month lease for a backhoe. The lease requires 48 monthly payments of \$2,293 each beginning in May, 2024. The District recognized a right of use asset and lease liability in the amount of \$96,715. A discount rate of 6.5% was used to determine the present value of future expected lease payments. Interest expense of \$5,388 was recognized as an outflow.

Lease liability, 6/30/2024	\$93,165
Additions	0
Reductions	(22,124)
Lease liability, 6/30/2025	\$71,041

Town of Gibsland, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2025

At June 30, 2025, the future minimum payments are summarized as follows:

Fiscal year ending June 30:	<u>Principal</u>	<u>Interest</u>
2026	\$23,602	\$3,911
2027	25,177	2,335
2028	<u>22,262</u>	<u>666</u>
Total minimum lease payments	<u>\$71,041</u>	<u>\$6,912</u>

8. ON BEHALF PAYMENTS FOR SALARIES

The Town should recognize as general fund revenues and expenses supplemental pay made by the State of Louisiana to the Town's police employees. For the year ended June 30, 2025, the town's police chief and officers received police supplemental pay from the State of Louisiana, Department of Public Safety and Corrections. The town included \$7,200 with payroll information but did not paid the applicable taxes on that amount.

9. USDA

The Town has estimated 357 and 37 water residential and commercial customers, respectively. The Town has estimated 337 and 34 sewer residential and commercial customers, respectively.

11. SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 27, 2026. This date represents the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

Town of Gibsland
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts GAAP Basis	Favorable (Unfavorable) Variance
	Original	Final		
REVENUES				
Taxes - ad valorem	\$33,000	\$35,000	\$33,273	(\$1,727)
Sales taxes	210,000	210,000	168,133	(41,867)
Other taxes	0	0	37,961	37,961
Licenses and permits	29,000	29,000	3,773	(25,227)
Franchise fees	40,000	40,000	46,612	6,612
Fines and forfeitures	2,500	9,300	9,259	(41)
Use of money and property	5,000	7,200	7,200	0
Miscellaneous	3,000	10,200	5,391	(4,809)
Total Revenues	322,500	340,700	311,602	(29,098)
EXPENDITURES				
Coroner expense	2,500	1,500	1,090	410
Salaries	58,944	55,000	60,914	(5,914)
Audit services	20,000	20,000	21,772	(1,772)
Bank charges	200	200		200
Payroll taxes	2,500	2,000	5,460	(3,460)
Advertising	1,500	2,500	2,390	110
Attorney services	31,000	29,000	8,544	20,456
Dues and subscriptions	6,500	6,500	6,581	(81)
Telephone	6,000	8,500	8,758	(258)
Postage	2,000	2,500	1,948	552
Office supplies	5,000	6,500	5,628	872
Utilities	40,000	40,000	35,228	4,772
Board compensation	29,000	29,000	27,575	1,425
Supplemental pay	0	7,200	6,600	600
Travel & training	7,700	8,900	7,012	1,888
Insurance expenses	23,500	48,500	53,127	(4,627)
Repairs and maintenance	5,200	5,200	12,884	(7,684)
Rental expense	10,000	15,000	0	15,000
Taxes-other	0	0	3,601	(3,601)
Miscellaneous expenses	5,000	3,750	25,775	(22,025)
Salaries police	51,640	52,000	40,173	11,827
Retirement	4,500	4,500	4,345	155
Auto repairs & maintenance	1,500	3,500	3,304	196
Fuel police	4,000	10,500	11,614	(1,114)
Police travel & training	2,500	3,000	2,958	42
Police supplies	2,000	2,000	1,543	457
Capital outlay	0	0	0	0
Total Expenditures	322,684	367,250	358,824	8,426
Excess (Deficiency) of Revenues over (under) Expenditures	(184)	(26,550)	(47,222)	(20,672)

Town of Gibbsland
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Favorable
	Original	Final	Amounts GAAP Basis	(Unfavorable) Variance
Operating transfers in	0	0	624	624
Operating transfers out	0	0	(28,709)	(28,709)
Total Other Financing Sources (Uses)	0	0	(28,085)	(28,085)
Net Change in Fund Balance	(184)	(26,550)	(75,307)	(48,757)
Fund Balance (Deficit) at Beginning of Year	0	0	137,012	137,012
Prior Period Adjustment	0	0	0	0
Fund Balance (Deficit) at End of Year	<u>(\$184)</u>	<u>(\$26,550)</u>	<u>\$61,705</u>	<u>\$88,255</u>

Notes to the Schedule

- (1) method of budgetary accounting - modified accrual basis
- (2) explanation of material variances - overbudgeted licenses and permits; underbudgeted transfers out
- (3) did not adopt a balanced budget

The accompanying notes are an integral part of this schedule.

Town of Gibsland

Justice System Funding Schedule - Collecting/Disbursing Schedule

Cash Basis Presentation

As Required by La. R.S. 24:515.2

	Amount for 07/01/2024 - 12/31/2024	Amount for 01/01/2025 - 06/30/2025
1. Beginning Cash Balance	-	-
2. Collections		
a. Civil Fees	-	-
b. Bond Fees	-	-
c. Cash Bonds	-	-
d. Asset Forfeiture/Sale	-	-
e. Pre-Trial Diversion Program Fees	-	-
f. Criminal Court Costs/Fees	9,144	115
g. Criminal Fines – Contempt	-	-
h. Criminal Fines – Other/Non-Contempt	-	-
i. Restitution	-	-
j. Probation/Parole/Supervision Fees	-	-
k. Service Fees	-	-
l. Collection Fees	-	-
m. Interest Earnings on Collected Balances	-	-
n. Other	-	-
Total Collected	9,144	115
3. Deductions: Collections Retained by the Town of Gibsland		
I. Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
II. Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
III. Other Amounts "Self-Disbursed" [Enter amounts on appropriate collection type lines]		
a. Civil Fees	-	-
b. Bond Fees	-	-
c. Cash Bonds	-	-
d. Asset Forfeiture/Sale	-	-
e. Pre-Trial Diversion Program Fees	-	-
f. Criminal Court Costs/Fees	9,144	115
g. Criminal Fines – Contempt	-	-
h. Criminal Fines – Other/Non-Contempt	-	-
i. Restitution	-	-
j. Probation/Parole/Supervision Fees	-	-
k. Service Fees	-	-
l. Collection Fees [excluding amounts reported in bullets I and II above]	-	-
m. Interest Earnings on Collected Balances	-	-
n. Other	-	-
Total Collections Retained by the Town of Gibsland	9,144	115
4. Deductions: Amounts Disbursed to Individuals and Entities, Excluding Governments and Nonprofits		
a. Collection/Processing Fees Paid to Third Party Entities	-	-
b. Civil Fee Refunds	-	-
c. Bond Refunds	-	-
d. Restitution Disbursements to Individuals and Entities, Excluding Governments or a Nonprofit	-	-
e. Other Disbursements to Individuals and Entities, Excluding Governments or a Nonprofit	-	-
Total Amounts Disbursed to Individuals and Entities, Excluding Governments and Nonprofits	-	-
5. Deductions: Total Disbursements to Other Governments & Nonprofits	-	-
6. Total Amounts Disbursed/Retained	9,144	115
7. Ending Cash Balance	-	-
8. Ending Balance of "Partial Payments" Collected but not Disbursed	-	-
9. Other Information:		

I. Ending Balance of Amounts Assessed but Not Yet Collected (i.e. total ending receivable balances)	-	-
II. Total Waivers During the Fiscal Period (i.e. non-cash reduction of receivable balances, such as time served or community service)	-	-

OTHER SUPPLEMENTAL SCHEDULES

Town of Gibbsland
Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2025

Schedule 3

<u>Board Member</u>	<u>Amount</u>
Jeannie Richardson, Mayor	13,000
Diana Pearson	2,600
Gary Durham	2,600
Julius Pearson	3,825
Debra Rushing	2,600
Angela Adams	<u>2,600</u>
Total	<u><u>\$27,225</u></u>

The accompanying notes are an integral part of this schedule.

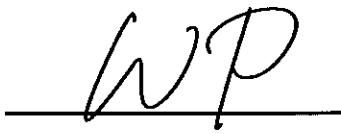
Town of Gibsland
Schedule of Compensation, Benefits and Other Payments
to Agency Head
For the Year Ended June 30, 2025

Schedule 4

Agency Head Name: Jeannie Richardson, Mayor

Purpose	
Per diem	\$13,000
Reimbursements	2,018
Continuing education fees	205
Registration fees	624

OTHER REPORTS



Wade & Perry, CPAs

A Professional Accounting Corporation

Members: AICPA/ Society of LCPA's

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

Independent Auditor's Report

Mayor and Town Council
Town of Gibsland
Gibsland, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Gibsland ("Town") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated April 27, 2026.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the 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 of significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we 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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses. 2025-01, 2025-03, and 2025-07.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies. 2025-02 and 2025-06.

Compliance and Other Matters

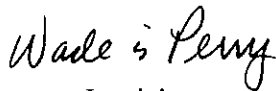
As part of obtaining reasonable assurance about whether Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2025-04, 2025-05, 2025-08, and 2025-09.

Town's Response to Findings

The Town's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.



Ruston, Louisiana
April 27, 2026

OTHER INFORMATION

Town of Gibsland
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

PART I. Summary of Audit Results

Financial statement audit

1. The type of audit report issued was unqualified.
2. There were five significant deficiencies required to be disclosed by Governmental Auditing Standards issued by the Comptroller General of the United States of America. Three of these significant deficiencies were reported as material weakness.
3. There was four instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

Audit of Federal Awards

None

PART II. Findings related to financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

2025-01. Significant deficiency in internal control over financial reporting

Condition: Management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare their annual financial statements. This condition is intentional by management based upon the the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. In relation to this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Four bank accounts were not reconciled nor entered in the general ledger for the year ended June 30, 2025.

Criteria: Considered material weakness if town cannot apply generally accepting accounting principles.

Cause: The town does not have staff capable of preparing report and notes and applying generally accepting accounting principles.

Effect: Potential misstatements in financial statements may not be detected.

Recommendation: No recommendation is made for this deficiency. Management must determine whether the benefit from an internal control exceeds its cost, and therefore it may be impractical to correct all deficiencies required to be reported under SAS 112. The cost benefit analysis is not a factor in the reporting requirement of SAS 112. We do not believe that correcting the significant deficiency as described above would be cost effective or practical for the Town. The Town does need to make sure all bank accounts are entered and reconciled in order for the board to make informed, educated decisions.

2025-02. Lack of segregation of duties

Condition: Due to limited personnel, the Town does not have an adequate segregation of duties regarding its accounting and reporting system to maintain a complete system of internal control. This finding is entity wide.

Criteria: It is considered good business practice to have segregation of duties wherever possible.

Cause: The town clerk is responsible for many duties related to cash, receivables, billing, collections, posting, reconciling, and payroll.

Effect: There is a potential for fraud due to lack of checks and balances and misstatements in financial statements may not be detected.

Recommendation: Accounting duties should be further segregated and proper approval steps implemented. A system of checks and balances should be set up for the town. A clear chain of command should be established.

2025-03. Internal control over disbursements is inadequate. This finding is entity wide.

Condition: Thirteen of the 40 randomly selected disbursements were posted to an incorrect account. Six payroll disbursements did not have properly approved time sheets. One disbursement had only one approved signature. Ten disbursements did not have proper supporting documentation. One disbursement for a travel reimbursement did not use correct per diem rates.

Criteria: Internal controls should be set up for all areas.

Cause: Supporting documentation was not kept in a central location.

Effect: Expenditures and payroll expenses may be misstated and is at risk for fraud.

Recommendation: The Town should maintain adequate supporting documentation for all disbursements. Check signers should not sign any disbursements without proper supporting documentation attached.

2025-04. Failing to file financial statements pursuant to R.S. 24:513B.(3)

Condition: The Town's audited financial statements were not completed and submitted to the Louisiana Legislative Auditor's office by the statutory date of December 31, 2025.

Criteria: State law requires audited financial statements of governments to be submitted within six months of year end.

Cause: Management did not provide all necessary information in time for the external auditor to complete the audit by its due date.

Effect: Material noncompliance relating to the financial statements.

Recommendation: Management should have financial records completed in a timely manner.

2025-05. Budget violation

Condition: The Town did not adopt a balanced budget with approved expenditures not exceeding the total estimated funds available. For the year ended June 30, 2025, the General fund budgeted revenues exceeded actual revenues by more than 5% (or \$28,474). For the year ended June 30, 2025, the General fund actual expenditures exceeded budgeted expenditures by more than 5% (or \$20,283).

Criteria: According to LRS 39:1309, the adopted budget shall be balanced with approved expenditures not exceeding the total estimated funds available. According to LRS 39:1310, failing to amend the budget when necessary is a violation of the local government budget act.

Cause: Management did not consider beginning funds available when preparing the budgets. Management underbudgeted various expenditures and transfers.

Effect: Compliance violation of local budget law

Recommendation: Government officials should follow the local government budget act as it pertains to preparing, adopting, monitoring, and amending the budget.

2025-06. Significant deficiency in internal controls over payroll and related records

Condition: Payroll taxes were not filed accurately and paid timely. Supplemental pay was not recorded with payroll records, and therefore payroll taxes were not paid on that pay. Sick and vacation records are not kept according to policy.

Criteria: Internal controls should be set up for all areas.

Cause: Staff is not aware of payroll rules and regulations.

Effect: Internal control violation and potential errors in payroll disbursements.

Recommendation: Employees involved in the payroll function need to understand payroll rules and regulations and the town's policy concerning sick and vacation pay.

2025-07. Significant deficiency in internal controls over utility billing and receipts

Condition: Beginning in June, 2020, the Town started billing the minimum amount for all residents. We could not trace payments to the daily total for each deposit.

Criteria: Internal controls should be set up for all areas.

Cause: Town did not read meters for correct usage and just charged minimum 2,000 gallons.

Effect: There is a potential for fraud due to lack of checks and balances and misstatements in financial statements may not be detected.

Recommendation: The Town should immediately update the billing system for the correct usage for each customer.

2025-08. Municipality improperly classified as Town

Condition: Gibsland is operating as a town and has five elected aldermen.

Criteria: LRS 33:342 (A)(1)

Cause: Federal census indicated Gibsland has less than 1,001 inhabitants so it should be classified as a village and only have 3 members on council

Effect: Violation of LRS 33:342(A)(1)

Recommendation: Town should adopt resolution requesting governor change the town's classification to a village and send the resolution to the Governor's Office.

2025-09. Violations of Article VII, Section 14

Condition: Two employees were given raises that were not recorded as approved in the minutes. One employee was paid for too many sick and vacation hours according to payroll records.

Criteria: Article VII, Section 14 states in part "funds, credit, property, or things of value shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private"; and LRS 42:1461 (A) states "...and employees of any public entity...assume a personal obligation not to misappropriate, misapply, convert, misuse, or otherwise wrongfully take any funds, property, or other thing of value belonging to or under the custody or control of the public entity in which they ... are employed."

Cause: Pay increases for two employees included no authorized supporting documentation. One employee was paid for too many sick and vacation hours according to payroll records.

Effect: Violation of Louisiana Constitution Article VII, Section 14

Recommendation: The Town should comply with state law ensuring salaries and hourly wages are board approved and set by ordinance. The Town should maintain records of sick and vacation time earned and used according to town policy.

Town of Gibbsland
Summary of Prior Year Findings
For the Year Ended June 30, 2025

A. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

- 2024-01. General accounting insufficient
Conclusion: Unresolved - See 2025-01
- 2024-02. Lack of segregation of duties
Conclusion: Unresolved - See 2025-02
- 2024-03. Inadequate internal control over disbursements
Conclusion: Unresolved - See 2025-03
- 2024-04. No sheriff sale for uncollected property taxes
Conclusion: Resolved
- 2024-05. Late report submission
Conclusion: Unresolved - See 2025-04
- 2024-06. Budget violation
Conclusion: Unresolved - See 2025-05
- 2024-07. Payroll taxes not paid timely, supplemental pay not included, sick/vacation records not according to town policy
Conclusion: Unresolved - See 2025-06
- 2024-08. Inadequate internal control over utility billing and receipts
Conclusion: Unresolved - See 2025-07
- 2024-09. Municipality improperly classified as Town
Conclusion: Unresolved - See 2025-08
- 2024-10. Article VII, Section 14 violation
Conclusion: Unresolved - See 2025-09
- 2024-11. Customer deposits balance not reserved
Conclusion: Resolved
- 2024-12. Misappropriation of assets
Conclusion: Resolved

B. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

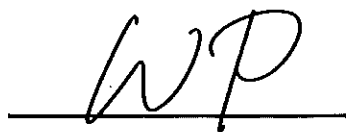
None

TOWN OF GIBSLAND
P.O. Box 309
Gibbsland, LA 71028

CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2025

Town of Gibbsland hereby submits the following corrective action plan as referenced in the Findings and Questioned Costs:

- 2025-01. The Town agrees with the recommendations and intends to implement them immediately.
- 2025-02. The Town agrees with the recommendations and intends to implement them immediately.
- 2025-03. The Town agrees with the recommendations and intends to implement them immediately.
- 2025-04. The Town agrees with the recommendations and intends to implement them immediately.
- 2025-05. The Town agrees with the recommendations and intends to implement them immediately.
- 2025-06. The Town agrees with the recommendations and intends to implement them immediately.
- 2025-07. The Town agrees with the recommendations and intends to implement them immediately.
- 2025-08. The Town agrees with the recommendations and intends to implement them immediately.
- 2025-09. The Town agrees with the recommendations and intends to implement them immediately.



Wade & Perry, CPAs

A Professional Accounting Corporation

Members: AICPA/ Society of LCPA's

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2025

To the Governing Board of Town of Gibsland (Entity) and the Louisiana Legislative Auditor:

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

The Entity has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

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:¹
1. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 2. **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.
 3. **Disbursements**, including processing, reviewing, and approving.

¹ For governmental organizations, the practitioner may eliminate those categories and subcategories not applicable to the organization's operations. For quasi-public organizations, including nonprofits, the practitioner may eliminate those categories and subcategories not applicable to public funds administered by the quasi-public.

4. ***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).
5. ***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.
6. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
7. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
8. ***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).
9. ***Ethics***², 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.
10. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
11. ***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.

² The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the nonprofit should have written policies and procedures relating to ethics.

12. ***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.

Written policies and procedures were obtained and address the functions listed above except as noted. There is not a written policy for disbursements, receipts/collections, contracting, credit cards, ethics, debt service, or information technology disaster recovery/business continuity.

2) Board or Finance Committee³

- 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
 1. 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.
 2. 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 comparisons, at a minimum, on all proprietary funds⁴, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds⁵ if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 3. 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.
 4. 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.⁶

³ These procedures are not applicable to entities managed by a single elected official, such as a sheriff or assessor.

⁴ Proprietary fund types are defined under GASB standards and include enterprise and internal service funds. The related procedure addresses these funds as a way to verify that boards are provided with financial information necessary to make informed decisions about entity operations, including proprietary operations that are not required to be budgeted under the Local Government Budget Act.

⁵ R.S. 24:513 (A)(1)(b)(iv) defines public funds.

⁶ No exception is necessary if management's opinion is that the cost of taking corrective action for findings related to improper segregation of duties or inadequate design of controls over the preparation of the financial statements being audited exceeds the benefits of correcting those findings.

Procedures performed. Noted the following exceptions:

Exceptions: The board minutes did not contain some of the required information.

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 accounts⁷ (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:
1. 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);
 2. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
 3. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Procedures performed. Noted the following exceptions:

Exceptions: One bank account was not reconciled within 2 months of closing date. Three bank accounts were not reconciled at all. None of the bank accounts had proof of being reviewed. None of the bank accounts had proof of outstanding items being researched.

4) Collections (excluding electronic funds transfers)⁸

- A. Obtain a listing of deposit sites⁹ 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 represented the list obtained was complete.

⁷ Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

⁸ The Collections category is not required to be performed if the entity has a third-party contractor performing all collection functions (e.g., receiving collections, preparing deposits, and making deposits).

⁹ A deposit site is a physical location where a deposit is prepared and reconciled.

B. For each deposit site selected, obtain a listing of collection locations¹⁰ and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

1. Employees responsible for cash collections do not share cash drawers/registers;
2. 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;
3. 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
4. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Procedures performed. Noted the following exceptions:

Exceptions: Employees share a common drawer. The same employee responsible for collecting checks is also responsible for preparing/making deposits, posting to the general ledger, and reconciling to subsidiary ledger.

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

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and

- i) Observe that receipts are sequentially pre-numbered.¹¹

¹⁰ A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit. For example, in a school district a collection location may be a classroom and a deposit site may be the school office. For school boards only, the practitioner should consider the deposit site and collection location to be the same if there is a central person (secretary or bookkeeper) through which collections are deposited.

¹¹ The practitioner is not required to test for completeness of revenues relative to classroom collections by teachers.

- ii) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe that the deposit was made within one business day of receipt¹² at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- v. Trace the actual deposit per the bank statement to the general ledger.

Procedures performed. The Town does not utilize sequentially pre-numbered receipts. Exceptions: Four of ten deposits had no documentation. Two deposits were made late. Four deposits could not be traced to the general ledger due to the bank account activity not being entered.

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 represented the list obtained was 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;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

¹² As required by Louisiana Revised Statute 39:1212.

- 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.

Procedures performed. Noted the following exceptions:

Exceptions: The employee responsible for processing payments also adds/modifies vendor files. The employee responsible for processing payments also mails out the payments.

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

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
 - 1) 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
 - 2) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

Procedures performed. Noted the following exceptions:

Exceptions: Three of the 5 did not have original supporting documentation. None of the 5 disbursements included evidence of segregation of duties.

- 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.*

None of the disbursements had evidence of approval.

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 cards¹³. Obtain management's representation that the listing is complete.

Management represented the list obtained was 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
- 1) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - 2) Observe that finance charges and late fees were not assessed on the selected statements.

Procedures performed. Noted the following exceptions:

Exceptions: No evidence the statement was approved or reviewed.

- 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)¹⁴. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Procedures performed. Noted the following exceptions:

Exceptions: None of the 2 receipts had original itemized receipt, written documentation of the business/public purpose, and could not determine if they were for meals or not.

¹³ Including cards used by school staff for either school operations or school activity fund operations.

¹⁴ For example, if 3 of the 5 cards selected were fuel cards, transactions would only be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #7B were fuel cards, procedure #7C would not be applicable.

7) Travel and Travel-Related Expense Reimbursements¹⁵ (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

Management represented the list obtained was complete.

- 1) 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);
- 2) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
- 3) 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
- 4) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Procedures performed. Noted the following exceptions:

Exceptions: two of the 5 reimbursements tested used incorrect per diem rates and did not state the business purpose. Three reimbursements were not reviewed or 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

Management represented the list obtained was complete.

¹⁵ Non-travel reimbursements are not required to be inspected under this category.

- 1) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law¹⁶ (e.g., solicited quotes or bids, advertised), if required by law;
- 2) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
- 3) 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
- 4) 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.

Procedures performed. Noted the following exceptions:

Exceptions: None of the 5 contracts were approved by the board. Two contracts had no backup supplied for testing.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials¹⁷ 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.

Management represented the list obtained was complete.

- 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
 - 1) Observe that all selected employees or officials¹⁸ documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - 2) Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - 3) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

¹⁶ If the entity has adopted the state Procurement Code, replace "Louisiana Public Bid Law" (R.S. 38:2211 *et seq*) with "Louisiana Procurement Code."

¹⁷ "Officials" would include those elected, as well as board members who are appointed.

¹⁸ Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.

- 4) Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Procedures performed. Noted the following exceptions:

Exceptions: One of the 5 employees did not have support. None showed supervisor approval. One did not have support for leave taken. None had an approved pay rate supplied.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

Two of the terminated employees did not have authorized pay rates supplied for testing. Neither could be agreed to the termination payment policy.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Exceptions: Payroll taxes were not paid timely.

10) Ethics¹⁹

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

- 1) 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
- 2) 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.

Procedures performed. Noted the following exceptions:

Exceptions: None of the employees completed ethics training. There is no ethics policy.

¹⁹ The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the procedures should be performed.

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

No exceptions.

11) Debt Service²⁰

- 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.

Not applicable

- 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).

No exceptions

12) Fraud Notice²¹

- 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.

Management represented the list obtained is complete and reported accordingly.

- 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

²⁰ This AUP category is generally not applicable to nonprofit entities. However, if applicable, the procedures should be performed.

²¹ Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs. The notice is available for download at www.la.gov/hotline

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.”**

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

We performed the procedure and discussed the results with management.

- 2) 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 procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency’s information technology assets have completed cybersecurity training as required by R.S. 42:1267²². The requirements are as follows:

²² While it appears to be a good practice for charter schools to ensure its employees are trained to keep their information technology assets safe from cyberattack, charter schools do not appear required to comply with 42:1267. An individual charter school, though, through specific provisions of its charter, may mandate that all employees/officials receive cybersecurity training.

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment²³

- 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.

Exceptions: Three of the 5 employees had training.

- 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

- 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:

- 1) Number and percentage of public servants in the agency who have completed the training requirements;
15; 0%
- 2) Number of sexual harassment complaints received by the agency;
No report was filed.
- 3) Number of complaints which resulted in a finding that sexual harassment occurred;
No report was filed.
- 4) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
No report was filed.

²³ While it appears to be a good practice for charter schools to ensure it has policies and training for sexual harassment, charter schools do not appear required to comply with the Prevention of Sexual Harassment Law (R.S. 42:341 et seq). An individual charter school, through the specific provisions of its charter, may mandate sexual harassment training.

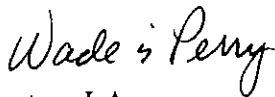
5) Amount of time it took to resolve each complaint.

No report was filed.

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

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

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

A handwritten signature in cursive script that reads "Wade & Perry".

Ruston, LA
April 27, 2026

TOWN OF GIBSLAND
PO Box 309
Gibbsland, LA 71028

April 27, 2026

Wade & Perry, CPAs
Ruston, LA

The following is Management's Response to the 2025 AUP report submitted for the Town of Gibbsland.

WRITTEN POLICIES AND PROCEDURES

Management will update the policies and procedures as noted.

BOARD OR FINANCE COMMITTEE

Management will update board minutes as noted.

BANK RECONCILIATIONS

Management will perform reconciliations timely, have someone review the reconciliations, and research outstanding items as noted.

COLLECTIONS

Management will consider additional controls but due to the town's size and number of employees it may not be feasible to implement. Management will begin getting all of the bank accounts' activity posted and reconciled as soon as possible.

NON-PAYROLL DISBURSEMENTS

Management will consider additional controls but due to the town's size and number of employees it may not be feasible to implement. Management will implement procedures to maintain all documentation in a central location.

CREDIT CARDS

Management will have someone review the statements and maintain supporting documentation.

TRAVEL AND RELATED EXPENSES

Management will research per diem rates and update as needed and maintain supporting documentation.

CONTRACTS

Management will contact the vendors for copies of contracts and document board approval in the minutes.

PAYROLL AND PERSONNEL

Management will begin documenting daily attendance and supervisor approval. Management will begin maintaining leave records and pay rates according to policy. Management will begin paying payroll taxes as required.

ETHICS

Management will implement practices to complete ethics training.

SEXUAL HARASSMENT

Management will implement practices to complete sexual harassment training and file the required reports.