

TOWN OF CHENEYVILLE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023



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December 1, 2023

Independent Auditors' Report

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Cheneyville, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as 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 of Cheneyville, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 of Cheneyville and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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

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guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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 of Cheneyville'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 of Cheneyville's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

City of Pineville
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The additional information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2023 on our consideration of the Town of Cheneyville’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Cheneyville’s internal control over financial reporting and compliance.



ROZIER, MCKAY & WILLIS
Certified Public Accountants
Alexandria, LA



December 1, 2023

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

The Honorable Derrick Johnson, Mayor
And the Board of Alderman
Town of Cheneyville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Cheneyville, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Town of Cheneyville's basic financial statements, and have issued our report herein dated December 1, 2023.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2023-001 and 2023-004, that we consider to be significant deficiencies.

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December 1, 2023

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Cheneyville's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed six instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2023-002, 2023-003, 2023-005, 2023-006, 2023-007, and 2023-008.

Town of Cheneyville's Response to Findings

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

Purpose of This Report

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



ROZIER, MCKAY & WILLIS
Certified Public Accountants
Alexandria, LA

Town of Cheneyville
Management's Discussion and Analysis
June 30, 2023

This section of the Town of Cheneyville's annual financial report presents our discussion and analysis of the Town's financial performance during the fiscal year ended June 30, 2023.

Overview of Financial Statements

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

Government –Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

**Town of Cheneyville
Management's Discussion and Analysis
June 30, 2023**

Financial Analysis of the Town as a Whole

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

Net Position

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

	June 30, 2023			For the Year Ended June 30, 2022
	Govern- mental Activities	Business- Type Activities	Total	
<u>Assets:</u>				
Current and Other Assets	\$ 211,587	\$ 288,449	\$ 500,036	\$ 446,873
Internal Balances	233,430	(233,430)	----	----
Capital Assets	1,454,689	1,593,993	3,048,682	2,836,556
Total Assets	<u>1,899,706</u>	<u>1,649,012</u>	<u>3,548,718</u>	<u>3,283,429</u>
<u>Liabilities:</u>				
Current and Other Liabilities	88,212	70,980	159,192	155,562
Long-term Liabilities	----	780,000	780,000	820,000
Total Liabilities	<u>88,212</u>	<u>850,980</u>	<u>939,192</u>	<u>975,562</u>
<u>Net Position:</u>				
Invested in Capital Assets (Net)	1,454,689	813,993	2,268,682	2,016,556
Restricted	----	----	----	----
Unrestricted	356,805	(15,961)	340,844	291,311
Total Net Position	<u>\$ 1,811,494</u>	<u>\$ 798,032</u>	<u>\$ 2,609,526</u>	<u>\$ 2,307,867</u>

As the presentation appearing above demonstrates, the largest portion of the Town's net position (86.9%) is invested in capital assets. Net position invested in capital assets consist of land, buildings, equipment, and infrastructure less any debt used to acquire the assets. The Town uses these capital assets to provide services to its citizens; consequently, these amounts are not available for future spending.

A portion of the Town's resources are unrestricted (13.1%), and are available to be utilized by the Town to meet its ongoing obligations to creditors and other interested parties for the foreseeable future.

The Town's net position improved during the year due to prudent use of the Town's resources, and the receipt of American Rescue Plan Act funding.

**Town of Cheneyville
Management's Discussion and Analysis
June 30, 2023**

Changes in Net Position

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

	For the Year Ended June 30, 2023			
	Governmental Activities	Business- Type Activities	Total	For the Year Ended June 30, 2022
Revenues:				
Program Revenue:				
Charges for Services	\$ 711,627	\$ 286,171	\$ 997,798	\$ 432,640
Operating Grants and Contributions	108,173	----	108,173	131,658
Capital Grants and Contributions	----	----	----	----
General Revenue:				
Sales Taxes	250,885	----	250,885	248,708
Property Taxes	17,474	----	17,474	20,908
Franchise Taxes	31,494	----	31,494	25,546
Occupational Licenses	19,722	----	19,722	25,389
Miscellaneous	40,470	453	40,923	27,965
Total Revenue	<u>1,179,845</u>	<u>286,624</u>	<u>1,466,469</u>	<u>912,814</u>
Program Expenses:				
General Government	325,364	----	325,364	322,690
Public Safety				
Police Department	151,690	----	151,690	95,787
Public Works	234,108	----	234,108	234,500
Utilities	----	442,403	442,403	453,306
Recreation	11,245	----	11,245	10,173
Total Expenses	<u>722,407</u>	<u>442,403</u>	<u>1,164,810</u>	<u>1,116,456</u>
Increase (Decrease) in Net Position Before Transfers	457,438	(155,779)	301,659	(203,642)
Transfers	(59,178)	59,178	----	----
Change in Net Position	<u>398,260</u>	<u>(96,601)</u>	<u>301,659</u>	<u>(203,642)</u>
Net Position Beginning:	<u>1,413,234</u>	<u>894,633</u>	<u>2,307,867</u>	<u>2,511,509</u>
Net Position Ending	<u>\$ 1,811,494</u>	<u>\$ 798,032</u>	<u>\$2,609,526</u>	<u>\$2,307,867</u>

Governmental activities before transfers experienced an increase of \$457,438, and business-type activities before transfers experienced a decrease in net position of \$155,779. The increase is due to an increase in fines and forfeitures, as well as funds received from the Road District 3A fund. The decrease is due to the recognition of depreciation expense, and rising costs in the utility system.

**Town of Cheneyville
Management's Discussion and Analysis
June 30, 2023**

Financial Analysis of the Town's Funds

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

- The Town's governmental funds reported combined fund balances of \$356,805, which represents an increase of \$24,259 in comparison to the previous balance.
- Amounts reported for business-type activities in the Town's individual funds are identical to the business-type activities reported in the government-wide presentation.

General Fund Budget Highlights

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

Capital Asset Administration

In the current year, the Town's capital asset administration included street improvements, needed equipment for the utility system, and a new playground.

Debt Administration

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

Factors Expected to Affect Future Operations

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

Town of Cheneyville

STATEMENT OF NET POSITION

June 30, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 170,998	\$ 121,788	\$ 292,786
Investments	-	135,223	135,223
Receivables (Net)	35,824	31,438	67,262
Internal Balances	233,430	(233,430)	-
Restricted Assets - Cash	4,765	-	4,765
Capital Assets:			
Non Depreciable Capital Assets	64,932	45,323	110,255
Depreciable Assets, Net	<u>1,389,757</u>	<u>1,548,670</u>	<u>2,938,427</u>
Total Assets	<u>1,899,706</u>	<u>1,649,012</u>	<u>3,548,718</u>
<u>LIABILITIES</u>			
Accounts Payable and other Payables	88,212	4,367	92,579
Accrued Interest	-	9,244	9,244
Deposits due others	-	57,369	57,369
Long-Term liabilities			
Long-Term Debt			
Due within one year	-	80,000	80,000
Due in more than one year	<u>-</u>	<u>700,000</u>	<u>700,000</u>
Total Liabilities	<u>88,212</u>	<u>850,980</u>	<u>939,192</u>
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	1,454,689	813,993	2,268,682
Unrestricted	<u>356,805</u>	<u>(15,961)</u>	<u>340,844</u>
Total Net Position (deficit)	<u>\$ 1,811,494</u>	<u>\$ 798,032</u>	<u>\$ 2,609,526</u>

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

Town of Cheneyville

STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2023

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business- Type Activities	Total
<u>Governmental Activities:</u>							
General Government	\$ 325,364	\$ -	\$ 108,173	\$ -	\$ (217,191)	\$ -	\$ (217,191)
Public Safety	151,690	286,498	-	-	134,808	-	134,808
Streets and Drainage	234,108	425,129	-	-	191,021	-	191,021
Culture and Recreation	11,245	-	-	-	(11,245)	-	(11,245)
Total Governmental Activities	<u>722,407</u>	<u>711,627</u>	<u>108,173</u>	<u>-</u>	<u>97,393</u>	<u>-</u>	<u>97,393</u>
<u>Business-Type Activities:</u>							
Utility System	442,403	286,171	-	-	-	(156,232)	(156,232)
Total Business-Type Activities	<u>442,403</u>	<u>286,171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(156,232)</u>	<u>(156,232)</u>
Total Primary Government	<u>\$ 1,164,810</u>	<u>\$ 997,798</u>	<u>\$ 108,173</u>	<u>\$ -</u>	<u>97,393</u>	<u>(156,232)</u>	<u>(58,839)</u>
<u>General Revenues:</u>							
Taxes:							
Ad Valorem					17,474	-	17,474
Sales Taxes					250,885	-	250,885
Franchise					31,494	-	31,494
Occupational Licenses					19,722	-	19,722
Other					40,470	453	40,923
Transfers					(59,178)	59,178	-
Total General Revenues and Transfers					<u>300,867</u>	<u>59,631</u>	<u>360,498</u>
Change in Net Assets					398,260	(96,601)	301,659
Net Position Beginning					<u>1,413,234</u>	<u>894,633</u>	<u>2,307,867</u>
Net Position Ending					<u>\$ 1,811,494</u>	<u>\$ 798,032</u>	<u>\$ 2,609,526</u>

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

Town of Cheneyville

Balance Sheet

Governmental Funds - June 30, 2023

	<u>General</u>
<u>Assets</u>	
Cash and Cash Equivalents	\$ 170,998
Receivables (Net)	35,824
Interfund Receivable	233,430
Restricted Cash	<u>4,765</u>
Total Assets	<u>\$ 445,017</u>
<u>Liabilities and Fund Balance</u>	
<u>Liabilities:</u>	
Accounts Payable	<u>\$ 88,212</u>
Total Liabilities	<u>88,212</u>
<u>Fund Balance:</u>	
Unassigned	<u>356,805</u>
Total Fund Balance	<u>356,805</u>
Total Liabilities and Fund Balance	<u>\$ 445,017</u>

Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Position of Governmental Activities on the Statement of Net Position	
Total Fund Balances - Governmental Funds	\$ 356,805
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>1,454,689</u>
Net Position of Governmental Activities	<u>\$ 1,811,494</u>

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

Town of Cheneyville

Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds - Year Ended June 30, 2023

	<u>General Fund</u>
<u>Revenues:</u>	
Ad Valorem	\$ 17,474
Sales Tax	250,885
Franchise Taxes	31,493
Occupational Licenses	19,722
Sanitation Fees	58,810
Fines and Forfeitures	286,498
Intergovernmental	474,492
Other	<u>80,318</u>
Total Revenues	<u>1,219,692</u>
<u>Expenditures:</u>	
Current:	
General Government	318,042
Public Safety	146,672
Streets and Drainage	179,989
Culture and Recreation	7,184
Capital Expenditures	<u>484,368</u>
Total Expenditures	<u>1,136,255</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>83,437</u>
<u>Other financing sources (uses):</u>	
Operating Transfers	<u>(59,178)</u>
Total other financing sources (uses)	<u>(59,178)</u>
Excess (deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	24,259
Fund Balance - Beginning of Year	<u>332,546</u>
Fund Balance - End of Year	<u>\$ 356,805</u>

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

Town of Cheneyville

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

Year Ended June 30, 2023

Net change in fund balances of Governmental Funds \$ 24,259

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation and loss or gain on disposals in the current year.

Capital Expenditures	444,521	
Depreciation Expense	<u>(70,520)</u>	<u>374,001</u>

Change in net position of Governmental Activities \$ 398,260

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

Town of Cheneyville

Statement of Net Position

Proprietary Funds - Year Ended June 30, 2023

	<u>Utility System</u>
<u>Assets</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 121,788
Investments	135,223
Receivables (Net)	<u>31,438</u>
Total Current Assets	<u>288,449</u>
Noncurrent Assets:	
Land	45,323
Depreciable Capital Assets, Net	<u>1,548,670</u>
Total Noncurrent Assets	<u>1,593,993</u>
 Total Assets	<u>1,882,442</u>
<u>Liabilities:</u>	
Current Liabilities:	
Accounts and Other Payables	4,367
Accrued Interest	9,244
Interfund Payable	233,430
Deposits due others	57,369
Current Portion of Long-Term Debt	<u>80,000</u>
Total Current Liabilities	<u>384,410</u>
Noncurrent Liabilities	
Long-Term Debt - Noncurrent Portion	<u>700,000</u>
 Total liabilities	<u>1,084,410</u>
<u>Net Position:</u>	
Invested in capital assets, net of related debt	813,993
Unrestricted	<u>(15,961)</u>
 Total net position	<u>\$ 798,032</u>

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

Town of Cheneyville

Statement of Revenues, Expenditures, and Changes in Fund Net Assets Proprietary Funds - Year Ended June 30, 2023

	<u>Utility System</u>
<u>Operating Revenues:</u>	
Service Fees	286,171
Other	-
Total Operating Revenues	<u>286,171</u>
<u>Operating Expenses:</u>	
Insurance	39,206
Repairs and Maintenance	34,851
Supplies and Chemicals	1,052
Utilities and Telephone	75,166
Permits and Testings	67,434
Depreciation Expense	187,528
Other Expenses	18,678
Total Operating Expenses	<u>423,915</u>
Operating Income (Loss)	<u>(137,744)</u>
<u>Non-Operating Revenues (Expenses):</u>	
Grant Proceeds	-
Interest Income	453
Interest Expense	(18,488)
Change in Net Assets before Contributions and Transfers	<u>(155,779)</u>
<u>Contributions and Transfers:</u>	
Operating Transfers	59,178
Change in Net Position	<u>(96,601)</u>
Total Net Position - Beginning	<u>894,633</u>
Total Net Position - Ending	<u><u>\$ 798,032</u></u>

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

Town of Cheneyville

Statement of Cash Flows

Proprietary Funds - Year Ended June 30, 2023

	<u>Utility System</u>
<u>Cash flow from operating activities:</u>	
Cash received from customers	\$ 284,293
Cash payments to suppliers of goods and services	(240,853)
Cash payments to employees for service	<u>-</u>
Net cash provided (used) by operating activities	<u>43,440</u>
<u>Cash flows from non-capital financing activities:</u>	
Operating transfers, net	<u>59,178</u>
Net cash provided (used) by non-capital financing activities	<u>59,178</u>
<u>Cash flows from capital and related financing activities:</u>	
Acquisition and construction of capital assets	(25,653)
Interest paid on Debt	(9,244)
Principle paid on Debt	(40,000)
Net cash provided (used) by capital and related financing activities	<u>(74,897)</u>
<u>Cash flows from investing activities:</u>	
Purchase of Investments	(6,990)
Interest and other income	<u>453</u>
Net cash provided (used) by investing activities	<u>(6,537)</u>
Net increase (decrease) in cash	21,184
Beginning cash balance	<u>100,604</u>
Ending cash balance	121,788
Cash - Restricted	<u>-</u>
Cash - Unrestricted	<u>\$ 121,788</u>

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

Town of Cheneyville

Statement of Cash Flows (Continued)

Proprietary Funds - Year Ended June 30, 2023

	<u>Utility System</u>
<u>Reconciliation of operating income (loss) to net cash</u>	
Operating Income (loss)	\$ (137,744)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	187,528
(Increase) decrease in accounts receivable	(1,753)
(Decrease) increase in accounts payable	(4,466)
(Decrease) increase in meter deposits	<u>(125)</u>
Net cash provided (used) by operating activities	 <u><u>\$ 43,440</u></u>

Supplemental disclosures of cash flow information:

For the years ended June 30, 2023 there were no investing, capital, and financing activities that did not result in cash receipts or payments.

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

TOWN OF CHENEYVILLE
Notes to Financial Statements
June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Reporting Entity

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

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

1. Appointing a voting majority of an organization's governing body, and
 - The ability of the Town to impose its will on that organization, and/or
 - The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Town.
2. Organizations for which the Town does not appoint a voting majority but are fiscally dependent on the Town.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based upon the above criteria, the Town of Cheneyville has no component units for the year ended June 30, 2023.

Basic Financial Statements

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

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

TOWN OF CHENEYVILLE
Notes to Financial Statements
June 30, 2023

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

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

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

Basis of Accounting

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

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

TOWN OF CHENEYVILLE
Notes to Financial Statements
June 30, 2023

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

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

Non-Exchange Transactions

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

Use of Estimates

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

Restricted Assets

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

Budget Practices

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

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

Capital Assets

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

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

TOWN OF CHENEYVILLE
Notes to Financial Statements
June 30, 2023

Cash and Cash Equivalents

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

Compensated Absences

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

Statement of Cash Flows

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

Interfund Transactions

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

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

Fund Balance Classification

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

NOTE 2 - CASH AND CASH EQUIVALENTS

At June 30, 2023, cash and cash equivalents included the following amounts:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash Deposits	\$ 175,413	\$ 121,728	\$ 297,141
Cash on Hand	350	60	410
Total Cash	175,763	121,788	297,551
Restricted Cash	4,765	----	4,765
Cash and Cash Equivalents	<u>\$ 170,998</u>	<u>\$ 121,788</u>	<u>\$ 292,786</u>

Cash deposited in banks is stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank

TOWN OF CHENEYVILLE
Notes to Financial Statements
June 30, 2023

that is mutually acceptable to both parties. At June 30, 2023, the Town has \$292,786 in deposits (collected bank balance of \$338,928). These deposits are protected by FDIC insurance in the amount of \$338,928 and pledged securities with a market value of \$315,071. The pledged securities are held by the custodial bank in the name of the fiscal agent bank.

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

NOTE 3 - INVESTMENTS

Included in the investment balance at year-end is \$135,223 held by the Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities that have contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

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

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

- Credit risk: LAMP is rated AAA by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 56 days from LAMP's monthly Portfolio Holdings as of June 30, 2023.
- Foreign currency risk: Not applicable.

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

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

TOWN OF CHENEYVILLE
Notes to Financial Statements
June 30, 2023

NOTE 4 - RECEIVABLES

Receivables at June 30, 2023, consisted of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Accounts Receivable</u>			
Charges for Services	\$ 6,372	\$ 31,438	\$ 37,810
Franchise Taxes	4,846	----	4,846
Total Accounts Receivables	<u>11,218</u>	<u>31,438</u>	<u>42,656</u>
<u>Due From Other Governmental Units</u>			
Rapides Parish Police Jury	24,606	----	24,606
Total Due From Other Governmental Units	<u>24,606</u>	<u>----</u>	<u>24,606</u>
Total Receivables	35,824	31,438	67,262
Allowance for Doubtful Accounts	----	----	----
Net Receivables	<u>\$ 35,824</u>	<u>\$ 31,438</u>	<u>\$ 67,262</u>

NOTE 5 – LONG – TERM LIABILITIES

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Long-Term Liabilities</u>			
Revenue Bonds	\$ ----	\$ 780,000	\$ 780,000
Due Within One Year	----	80,000	80,000
Due in More Than One Year	<u>\$ ----</u>	<u>\$ 700,000</u>	<u>\$ 700,000</u>

Debt Instruments

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>Business-Type Activities</u>				
Revenue Bonds	\$ 820,000	\$ ----	\$ ----	\$ 780,000

A description of the debt instrument is presented as follows:

\$780,000 Utility Revenue Bonds Series 2021, bearing interest at a rate ranging from 0.99% to 3.00%, payable in annual installments ranging from \$30,000 to \$55,000 with the final installment due in 2041. \$ 780,000

TOWN OF CHENEYVILLE
Notes to Financial Statements
June 30, 2023

Maturity of Long-term Debt

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

<u>Year Ended June 30th</u>	<u>Business-Type Activities</u>	
	<u>Principal Installments</u>	<u>Interest</u>
2024	\$ 80,000	\$ 36,560
2025	40,000	17,604
2026	40,000	17,072
2027	40,000	16,464
2028-2030	215,000	70,465
2031-2035	195,000	42,600
2036-2040	170,000	13,050
<u>Total Governmental</u>	<u>\$ 780,000</u>	<u>\$ 213,815</u>

NOTE 6 – AD VALOREM TAXES

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

For the year ended June 30, 2023, the Town levied 8.75 mills of ad valorem taxes dedicated to the general corporate purposes of the Town.

NOTE 7 - FIXED ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Non-Depreciable Capital Assets				
Construction in Progress	\$ 27,526	\$ ---	\$ ----	\$ 27,526
Land	37,406	----	----	37,406
Total	<u>64,932</u>	<u>----</u>	<u>----</u>	<u>64,932</u>
Depreciable Capital Assets				
Buildings	289,242	----	(91,514)	197,728
Improvements	1,356,654	449,923	----	1,806,577
Equipment/Vehicles	455,295	34,443	(10,631)	479,107
Accumulated Depreciation	<u>(1,085,433)</u>	<u>(70,520)</u>	<u>62,298</u>	<u>(1,093,655)</u>
Total	<u>1,015,758</u>	<u>413,846</u>	<u>(39,847)</u>	<u>1,389,757</u>
Total Governmental Activities	<u>1,080,690</u>	<u>\$ 413,848</u>	<u>\$ (39,847)</u>	<u>\$ 1,454,689</u>

TOWN OF CHENEYVILLE
Notes to Financial Statements
June 30, 2023

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<u>Business-Type Activities</u>				
Non-Depreciable Capital Assets				
Construction in Progress	\$ ----	\$ ----	\$ ----	\$ ----
Land	45,323	----	----	45,323
Total	<u>45,323</u>	<u>----</u>	<u>----</u>	<u>45,323</u>
Depreciable Capital Assets				
Sewer System	4,064,923	----	----	4,064,923
Vehicles	13,046	----	----	13,046
Buildings	3,159	----	----	3,159
Equipment	384,195	25,653	----	409,848
Water Distribution System	2,779,775	----	----	2,779,775
Accumulated Depreciation	<u>(5,534,553)</u>	<u>(187,528)</u>	<u>----</u>	<u>(5,722,081)</u>
Total	<u>1,710,545</u>	<u>(161,875)</u>	<u>----</u>	<u>1,548,670</u>
Total Business-Type Activities	<u>\$ 1,755,868</u>	<u>\$ (161,875)</u>	<u>\$ ----</u>	<u>\$ 1,593,993</u>

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

Governmental Activities

General Government	\$ 7,322
Public Safety	5,018
Streets and Drainage	54,119
Culture and Recreation	4,061
Total Depreciation – Governmental Activities	<u>\$ 70,520</u>

Business-Type Activities

Sewer System	\$ 98,064
Water System	89,464
Total Depreciation – Business-Type Activities	<u>\$ 187,528</u>

TOWN OF CHENEYVILLE
Notes to Financial Statements
June 30, 2023

NOTE 8 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

The following is a summary of accounts payable and accrued expenses at June 30, 2023:

	Payable to Vendors	Accrued Expenses	Total
<u>Governmental Activities</u>			
General Fund	\$ 44,125	\$ 44,087	\$ 88,212
Total Governmental	44,125	44,087	88,212
<u>Business-Type Activities</u>			
Utility System	4,367	----	4,367
Total Business-Type	4,367	----	4,367
Total Accounts Payable And Accrued Expenses	\$ 48,492	\$ 44,087	\$ 92,579

NOTE 9 - RISK MANAGEMENT

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

NOTE 10 – CONTINGENCIES

Existing conditions that may have financial consequences in the future are referred to as contingencies. Contingencies existing at June 30, 2023 are described as follows:

Litigation

Like most governmental units with extensive and diverse operations, the Town is occasionally named as a defendant in litigation. Based on consultation with the Town Attorney and insurance carrier, there are no anticipated claims that are expected to exceed available insurance coverage.

Grant Compliance

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

Town of Cheneyville

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual

Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Ad Valorem	\$ 21,000	\$ 21,000	\$ 17,474	\$ (3,526)
Sales Tax	220,000	220,000	250,885	30,885
Franchise Taxes	26,000	26,000	31,493	5,493
Occupational Licenses	10,500	10,500	19,722	9,222
Charges for Services	45,050	45,050	58,810	13,760
Fines and Forfeitures	120,000	120,000	286,498	166,498
Intergovernmental	91,100	117,100	474,492	357,392
Other	35,000	110,000	80,318	(29,682)
Total revenues	568,650	669,650	\$ 1,219,692	550,042
<u>Expenses:</u>				
General government	314,420	567,070	318,042	249,028
Public Safety	130,570	144,070	146,672	(2,602)
Streets and Drainage	141,000	241,000	179,989	61,011
Recreation	-	-	7,184	(7,184)
Debt Service	-	-	-	-
Capital Outlay	-	-	484,368	(484,368)
Total Expenses	585,990	952,140	1,136,255	(184,115)
Excess (deficiency) of revenues over expenditures	(17,340)	(282,490)	83,437	365,927
<u>Other financing sources (uses):</u>				
Operating transfers	17,340	17,000	(59,178)	(76,178)
Total other financing sources (uses)	17,340	17,000	(59,178)	(76,178)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	(265,490)	24,259	289,749

TOWN OF CHENEYVILLE

Schedule of Compensation Paid to Board Members Year Ended June 30, 2023

Derrick Johnson	\$	8,620
Charles Collins		3,120
Francis Mitchell		2,170
Ruby Crawford		2,170
Ronny Green Jr		2,170
Rebecca Cook		2,170
		<hr/>
Total Compensation	\$	<u>20,420</u>

TOWN OF CHENEYVILLE

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer Year Ended June 30, 2023

Agency Head (Mayor) -Derrick Johnson

Purpose:

Compensation	\$	8,620
Payroll Taxes		708
Expense Allowance		4,200
Reimbursements		8,205

Town of Cheneyville

**Justice System Funding Schedule - Collecting / Disbursing Entity as Required by Act 87 of the
2020 Regular Legislative Session
For the Year Ended June 30, 2023**

Cash Basis Presentation	First Six Month Period Ended December 31, 2022	Second Six Month Period Ended June 30, 2023
Beginning Balance of Amounts Collected	<u>\$ -</u>	<u>\$ -</u>
Add: Collections		
Criminal Court Costs/Fees	<u>182,157</u>	<u>104,341</u>
Subtotal Collections	<u>182,157</u>	<u>104,341</u>
Less: Disbursements to Governments & Nonprofits		
Criminal Court Cost / Fees		
Louisiana Commission on Law Enforcement	-	-
CMIS Trial Court Case Management System	-	-
Crime Stoppers of Cenla, Inc.	-	-
Louisiana Department of Health and Hospitals	-	-
North Louisiana Crime Lab	-	-
Louisiana Judicial college	-	-
Less: Amounts Retained by Town		
Self Disbursed Court Costs	<u>182,157</u>	<u>104,341</u>
Subtotal Disbursements / Retainage	<u>182,157</u>	<u>104,341</u>
Ending Balance of Amounts Collected but not Disbursed	<u>\$ -</u>	<u>\$ -</u>
Other Information:		
Total Waivers During the Fiscal Period	-	-

TOWN OF CHENEYVILLE

Schedule of Findings

June 30, 2023

Part I - Summary of Auditor's Results:

- The Independent Auditor's Report on the general-purpose financial statements for the Town of Cheneyville, Louisiana, as of June 30, 2023, and for the year then ended expressed an unmodified opinion.
- The audit disclosed two findings (2023-001, 2023-004) which are considered to be significant deficiencies in internal control over financial reporting.
- The audit disclosed six findings which are considered to be instances of noncompliance with applicable laws and regulations (2023-002, 2023-003, 2023-005, 2023-006, 2023-007, 2023-008).
- The Town was not required to have a Single Audit

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

Finding 2023-001: Inadequate Controls Over Recordkeeping

- ***Criteria:*** To foster accountability over financial reporting, the Town's accounting system should contain several elements, including readily available documentation, proper classification of transactions, and the production of timely, relevant financial reports to management.
- ***Condition:*** The previous town clerk's accounting practices contributed to a variety of problems, including documentation being unavailable, finance charges and late fees for non-payment of accounts payable, and management's inability to properly evaluate financial decisions because of a lack of timely, accurate information.
- ***Effect:*** This situation resulted in performance of alternative procedures locating accounting records. In addition, the Town may have been noncompliant with the State's record retention laws.
- ***Cause:*** The Town terminated the previous clerk, which left the current clerk without a clear framework of how to keep records, and provide accounting information on a timely basis to management.
- ***Recommendation:*** We recommend that the Town continue to implement monitoring activities, including the institution of monthly finance committee meetings, to ensure that financial reporting is properly performed.

Finding 2023-002: Accounting for Meter Deposits

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

Finding 2023-003: Utility Revenues

- ***Criteria:*** The Town has established an ordinance requiring that utility rates be indexed annually by a specific index.
- ***Condition:*** The Town has not increased utility rates as required by the ordinance.
- ***Effect:*** The Town is not charging citizens utility according to its adopted rate structure.
- ***Cause:*** The previous Town Clerk was unaware of this requirement.

TOWN OF CHENEYVILLE

Schedule of Findings

June 30, 2023

- Recommendation: We recommend the Town increase utility rates annually as required by the Ordinance.

Finding 2023-004: Uniform Cutoff Policy

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

Finding 2023-005: Minutes of Public Meetings

- Criteria: Louisiana Revised Statutes require public bodies to keep written minutes of the proceedings of all open meetings.
- Condition: The Town was unable to provide copies of public meeting minutes for each of the open meetings held at Town Hall during the year.
- Effect: The Town may be in violation of Revised Statutes by not retaining minutes for all open meetings.
- Cause: The Town's computer crashed during the year, which contained some of the required minutes. In addition, the Town has experienced turnover in the Clerk position, which has made compliance with some requirements difficult.
- Recommendation: We recommend that the Town retain minutes of all public meetings as required by Louisiana Revised Statutes.

Finding 2023-006 – Debt Covenants

- Criteria: The Town is subject to several debt covenants, in accordance with its Revenue Utility Bonds.
- Condition: The Town did not comply with its debt covenants by failing to transfer monies to a separate sinking fund account, and not making required debt service payments in a timely manner.
- Effect: The Town was not in compliance with its debt covenants at the end of the year.
- Cause: The Town experienced turnover in the Clerk position in the previous year. There was a failure on the part of previous Clerks to convey all responsibilities to new personnel.
- Recommendation: We recommend that the Town establish a tickler system, to ensure that all required monthly transfers and payments are performed in the future.

Finding 2023-007: Collections on Behalf of Other Entities

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

TOWN OF CHENEYVILLE

Schedule of Findings

June 30, 2023

Finding 2023-008: Local Government Budget Act

- *Criteria:* The Local Government Budget Act (LGBA) requires a local government to adopt a budget amendment when there is a five percent or greater shortage in revenue, or a five percent or greater overage in expenditures during a fiscal year.
- *Condition:* In the current year, the Town of Cheneyville's General Fund experienced an overage of actual expenses greater than five percent of budgeted amounts.
- *Cause:* The Town received funding from the Road District 3A Fund for capital expenditures, which were not accounted for when the budget was amended.
- *Effect:* The Town was not in compliance with the Local Government Budget Act.
- *Recommendation:* The Town of Cheneyville should implement policies and procedures to ensure that the budget is amended whenever variances exceed amounts allowed by the Local Government Budget Act.

TOWN OF CHENEYVILLE

Management's Corrective Action Plan June 30, 2023

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

Finding 2023-001: Inadequate Controls Over Recordkeeping

The previous town clerk's accounting practices contributed to a variety of problems, including documentation being unavailable, finance charges and late fees for non-payment of accounts payable, and management's inability to properly evaluate financial decisions because of a lack of timely, accurate information. This situation resulted in performance of alternative procedures locating accounting records.

Finding 2023-002: Accounting for Meter Deposits

The Town did not maintain sufficient records to be able to reconcile the underlying meter deposit liability to the individual account balances. As this account is custodial in nature, the Town should be able to identify the individuals owed as a best practice. In addition, the Town did not send water meter deposits returned to the Town as undeliverable to the state treasury, as required by statute.

Finding 2023-003: Utility Revenues

The Town's Ordinance setting Utility Rates, which was adopted in August of 2018, requires the Town to increase Utility Rates once a year by a specified index. The Town has not increased its utility rates since the adoption of the Ordinance, causing the Town to not be compliance.

Finding 2023-004: Uniform Cutoff Policy

During audit procedures, it was discovered that the Town is not enforcing a uniform cutoff policy. LA Revised Statutes forbid municipalities from giving away anything of value, including utilities.

Finding 2023-005: Minutes of Public Meetings

The Town was unable to provide copies of public meeting minutes for each of the open meetings held at Town Hall during the year. The Town may be in violation of Revised Statutes by not retaining minutes for all open meetings.

Finding 2023-006: Debt Covenants

The Town did not comply with its debt covenants by failing to distribute to a separate sinking fund account and not making payments in a timely manner.

Response:

We will continue to implement monitoring activities, including the institution of monthly finance committee meetings, to ensure that financial reporting is properly performed.

Response:

Our Utility Clerk continues the process of reconciling the meter deposit liability with the underlying individual account balances. In addition, we will submit any required monies to the state treasurer once this process is complete.

Response:

We will raise rates to the required amount, and we have retained the services of our engineering firm to monitor the calculation and implementation of this yearly rate change in the future.

Response:

We will examine our procedures and work towards implementing a uniform cutoff policy.

Response:

We will retain minutes of all public meetings in accordance with Louisiana Revised Statutes.

Response:

We will establish a tickler system, to ensure that all required monthly transfers and payments are performed in the future.

TOWN OF CHENEYVILLE

Management's Corrective Action Plan

June 30, 2023

<p><u>Finding 2023-007: Fine-Related Fees</u> During audit procedures, it was determined that the Town had not remitted all fees, fines, and court costs collected on behalf of other entities to the required entities.</p> <p><u>Finding 2023-008: Local Government Budget Act</u> In the current year, the Town of Cheneyville's General Fund experienced an overage of actual expenses greater than five percent of budgeted amounts.</p>	<p><u>Response:</u> We will ensure that in the future, all amounts collected on behalf of other entities are submitted as required.</p> <p><u>Response:</u> We will work on our budgeting and monitoring process to ensure future compliance.</p>
<p><u>SECTION II</u> MANAGEMENT LETTER</p>	
<p><u>FINDINGS</u> No Findings of this Nature</p>	<p><u>RESPONSE</u> No Response Necessary</p>

TOWN OF CHENEYVILLE

Summary of Prior Year Findings

June 30, 2023

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
<p><u>Finding 2022-001: Inadequate Controls Over Recordkeeping</u> The Town was unable to provide requested supporting documentation for some transactions recorded in the general ledger, and some documentation was unable to be located by staff.</p>	<p><u>Status: Unresolved (See Finding 2023-001)</u></p>
<p><u>Finding 2022-002: Payroll Tax Reporting</u> The Town did not file all of its required payroll tax reporting forms timely, and did not make all of its required payroll tax deposits by statutorily set deadlines, causing the Town to be in violation of state and federal law.</p>	<p><u>Status: Resolved</u></p>
<p><u>Finding 2022-003: Accounting for Meter Deposits</u> The Town did not maintain sufficient records to be able to reconcile the underlying meter deposit liability to the individual account balances. As this account is custodial in nature, the Town should be able to identify the individuals owed as a best practice. In addition, the Town did not send water meter deposits returned to the Town as undeliverable to the state treasury, as required by statute.</p>	<p><u>Status: Unresolved (See Finding 2023-002)</u></p>
<p><u>Finding 2022-004: Cash Management</u> To establish effective internal controls over cash, deposits must be made on a regular basis, preferably daily. The Town did not make all deposits in a timely manner.</p>	<p><u>Status: Resolved</u></p>
<p><u>Finding 2022-005: Utility Revenues</u> The Town's Ordinance setting Utility Rates, which was adopted in August of 2018, requires the Town to increase Utility Rates once a year by a specified index. The Town has not increased its utility rates since the adoption of the Ordinance, causing the Town to not be compliance.</p>	<p><u>Status: Unresolved (See Finding 2023-003)</u></p>
<p><u>Finding 2022-006: Uniform Cutoff Policy</u> During audit procedures, it was discovered that the Town is not enforcing a uniform cutoff policy. LA Revised Statutes forbid municipalities from giving away anything of value, including utilities.</p>	<p><u>Status: Unresolved (See Finding 2023-004)</u></p>
<p><u>Finding 2022-007: Collections on Behalf of Other Entities</u> During audit procedures, it was determined that the Town had not remitted all fees, fines, and court costs collected on behalf of other entities to the required entities.</p>	<p><u>Status: Unresolved (See Finding 2023-007)</u></p>

TOWN OF CHENEYVILLE

Summary of Prior Year Findings

June 30, 2023

<p><u>Finding 2022-008: Minutes of Public Meetings</u> The Town was unable to provide copies of public meeting minutes for each of the open meetings held at Town Hall during the year. The Town may be in violation of Revised Statutes by not retaining minutes for all open meetings.</p> <p><u>Finding 2022-009: Debt Covenants</u> The Town did not comply with its debt covenants by failing to distribute to a separate sinking fund account and not making payments in a timely manner.</p>	<p><u>Status: Unresolved (See Finding 2023-005)</u></p> <p><u>Status: Unresolved (See Finding 2023-006)</u></p>
<u>SECTION II</u> MANAGEMENT LETTER	
<u>FINDINGS</u> No Findings of this Nature	<u>RESPONSE</u> No Response Necessary

APPENDIX A
Statewide Agreed-Upon Procedures



Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the Town of Cheneyville and
the Louisiana Legislative Auditor:

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

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

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

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

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

Rozier, McKay & Willis
Certified Public Accountants
Alexandria, Louisiana
December 1, 2023



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Town of Cheneyville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Written Policies and Procedures		
Agreed-Upon Procedure	Results	Managements' Response
<p>1 Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories.</p> <ul style="list-style-type: none"> • Budgeting • Purchasing • Disbursements • Receipts • Payroll/Personnel • Contracting • Credit Cards • Travel and expense reimbursements • Ethics • Debt Service • Disaster Recovery / Business Continuity • Sexual Harassment 	<p>The Town does not have any written policies and procedures on the following categories:</p> <ul style="list-style-type: none"> • Budgeting • Purchasing • Disbursements • Receipts • Payroll/Personnel • Contracting • Credit Cards • Travel and expense reimbursements • Ethics • Debt Service • Disaster Recovery / Business Continuity • Sexual Harassment 	<p><i>Due to the small size of our operation and limited staff, job duties are clearly understood despite the absence of written policies and procedures. We will consider whether adopting formal written policies and procedures would be beneficial.</i></p>

Town of Cheneyville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

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

Town of Cheneyville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

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

Town of Cheneyville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

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

Town of Cheneyville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

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

Town of Cheneyville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

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

Town of Cheneyville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

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

Town of Cheneyville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

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

Town of Cheneyville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

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

Town of Cheneyville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

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

Town of Cheneyville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

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

Town of Cheneyville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

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

Town of Cheneyville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

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

Town of Cheneyville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

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

Town of Cheneyville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
<p>17 Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.</p>	<p>The selected employees paid salaries agreed to authorized salaries.</p>	<p><i>No findings or criticisms were reported.</i></p>
<p>18 Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:</p> <p>a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).</p> <p>b. Observe that supervisors approved the attendance and leave of the selected employees/officials.</p>	<p>The selected employees documented their daily attendance and leave.</p> <p>Supervisors approved the attendance and leave of the selected employees.</p>	<p><i>No findings or criticisms were reported.</i></p> <p><i>No findings or criticisms were reported.</i></p>

Town of Cheneyville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
<p>c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.</p> <p>d. Observe the rate paid to the employees or officials agree to the authorized salary/payrate found within the personnel file.</p>	<p>Leave accrued or taken during the pay period was reflected in the entity's leave records.</p> <p>Rates of pay were consistent with documentation in the personnel files.</p>	<p><i>No findings or criticisms were reported.</i></p> <p><i>No findings or criticisms were reported.</i></p>
<p>19 Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.</p>	<p>Payments to terminated employees agreed to authorized rates, and cumulative leave records.</p>	<p><i>No findings or criticisms were reported.</i></p>
<p>20 Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.</p>	<p>Management has represented that all required forms and taxes that originated in the current year have been paid.</p>	<p><i>No findings or criticisms were reported.</i></p>

Town of Cheneyville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

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

Town of Cheneyville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

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

Town of Cheneyville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Fraud Notice		
Agreed-Upon Procedure	Results	Managements' Response
23 Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.	No misappropriations were reported.	<i>No findings or criticisms were reported.</i>
26 Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.	The entity posted the fraud notice at Town Hall.	<i>No findings or criticisms were reported.</i>

Town of Cheneyville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

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

Town of Cheneyville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Information Technology Disaster Recovery /Business Continuity		
Agreed-Upon Procedure	Results	Managements' Response
28 Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.	We performed the procedure and discussed the results with management.	<i>The results did not include findings or criticisms.</i>

Town of Cheneyville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Sexual Harassment		
Agreed-Upon Procedure	Results	Managements' Response
<p>29 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.</p>	<p>There was no documentation available demonstrating that any of the selected employees had completed sexual harassment training.</p>	<p><i>In the future, we will have all employees complete the necessary training.</i></p>
<p>30 Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).</p>	<p>The Town has not adopted a formal, written sexual harassment policy.</p>	<p><i>We will work on adopting, then posting a sexual harassment policy.</i></p>
<p>31 Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:</p> <ul style="list-style-type: none"> a. Number and percentage of public servants in the agency who have completed the training requirements; b. Number of sexual harassment complaints received by the agency; c. Number of complaints which resulted in a finding that sexual harassment occurred; d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and e. Amount of time it took to resolve each complaint. 	<p>The Town did not produce an annual sexual harassment report.</p>	<p><i>In the current year, we did not have any instances of sexual harassment reported to management. However, in the future, we will document this annually.</i></p>