

TOWN OF KEACHI, LOUISIANA

FINANCIAL STATEMENTS

December 31, 2024

Marsha O. Millican
A Professional Accounting Corporation
Shreveport, Louisiana

TOWN OF KEACHI, LOUISIANA

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December 31, 2024

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Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

The Honorable Travis Whitfield, Mayor
and Members of the Town Council
Keachi, Louisiana

Management is responsible for the accompanying financial statements of the governmental activities of the Town of Keachi, as of and for the year ended December 31, 2024, which collectively comprise the Town's basic financial statements as listed in the table of contents in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on on these financial statements.

Town of Keachi has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of the basic financial statements.

The accompanying schedule of compensation paid to the mayor and town council and schedule of compensation, reimbursements, benefits, and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information is the representation of management. The information was subject to my compilation engagement, but I have not audited or reviewed the supplementary information, and accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

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

Marsha O. Millican

Certified Public Accountant

June 30, 2024

TOWN OF KEACHI, LOUISIANA

Statement of Net Position

December 31, 2024

ASSETS	
Current Assets	
Cash	\$ 1,756,365
Investments	-
Total Current Assets	<u>1,756,365</u>
Noncurrent Assets	
Restricted Cash	27,812
Capital Assets, net	<u>309,597</u>
Total Noncurrent Assets	<u>337,409</u>
Total Assets	<u>2,093,774</u>
Deferred Outflows of Resources	
	<u>-</u>
LIABILITIES AND NET POSITION	
Liabilities	
Accounts Payable	<u>-</u>
Total Liabilities	<u>-</u>
Deferred Inflows of Resources	
	<u>-</u>
Net Position	
Invested in Capital Assets, net of related debt	309,597
Restricted for Construction	27,812
Unrestricted	<u>1,756,365</u>
Total Net Position	<u><u>\$ 2,093,774</u></u>

See accountant's compilation report and notes to financial statements.

TOWN OF KEACHI, LOUISIANA

Statement of Activities
For the Year Ended December 31, 2024

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Operating Grants	Capital Grants and Contributions	Total
Governmental Activities:				
General Government	\$ 48,181	\$ -	\$ -	\$ (48,181)
Depreciation	16,200	-	-	(16,200)
Total Governmental Activities	\$ 64,381	\$ -	\$ -	(64,381)
General Revenues:				
Occupational Licenses				13,843
Franchise Taxes				8,944
Sales Taxes				119,946
Royalty Income				6,403
Interest Income				10,798
Miscellaneous				1,460
Total General Revenues				161,394
Change in Net Position				97,013
Net Position, Beginning of Year, as Previously Stated,				1,985,080
Prior Period Adjustment - Reduction of Deferred Revenue				11,681
Net Position, Beginning of Year, Restated				1,996,761
Net Position, End of Year				\$ 2,093,774

See accountant's compilation report and notes to financial statements.

TOWN OF KEACHI, LOUISIANA

Balance Sheet
Governmental Fund
December 31, 2024

ASSETS	
CURRENT ASSETS	
Cash	\$ 1,756,365
Investments	<u>-</u>
Total Current Assets	1,756,365
OTHER ASSETS	
Restricted Cash	<u>27,812</u>
Total Assets	<u><u>\$ 1,784,177</u></u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts Payable	<u>\$ -</u>
Fund Balance	
Committed	27,812
Unassigned	<u>1,756,365</u>
Total Fund Balance	<u>1,784,177</u>
Total Liabilities and Fund Balances	<u><u>\$ 1,784,177</u></u>

See accountant's compilation report and notes to financial statements.

TOWN OF KEACHI, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
For the Year Ended December 31, 2024

Total Fund Balance for Governmental Funds	\$ 1,784,177
Total Net Assets for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>309,597</u>
Total Net Position of Governmental Activities	<u>\$ 2,093,774</u>

See accountant's compilation report and notes to financial statements.

TOWN OF KEACHI, LOUISIANA

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Fund
For the Year Ended December 31, 2024

Revenues:	
Occupational Licenses	\$ 13,843
Franchise Taxes	8,944
Grants	-
Sales Taxes	119,946
Royalty Income	6,403
Other Income	12,258
	<hr/>
Total Revenues	161,394
	<hr/>
Expenditures:	
Current:	
General Government	62,947
	<hr/>
Total Expenditures	62,947
	<hr/>
Net changes in fund balance	98,447
Fund Balance, Beginning of Year, as Previously Reported	1,674,050
Prior Period Adjustment - Reduction of Deferred Revenue	11,680
	<hr/>
Fund Balance, Beginning of Year, Restated	1,685,730
	<hr/>
Fund Balances, End of Year	\$ 1,784,177
	<hr/> <hr/>

See accountant's compilation report and notes to financial statements.

TOWN OF KEACHI, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balance of Governmental Funds to the Statement of Activities
Year Ended December 31, 2024

Net changes in Fund Balances - Total Government Funds	\$ 98,447
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The change in Net Position reported for governmental activities
in the statement of activities is different because:

Governmental funds report capital outlay as expenditures.
However, in the statement of activities, the cost of those
assets is allocated over their estimated useful lives and
reported as depreciation expense. This is the amount by
which depreciation (\$16,200) exceed capital outlay
(\$14,766).

(1,434)

Change in net position of Governmental Activities

\$ 97,013

See accountant's compilation report and notes to financial statements.

TOWN OF KEACHI, LOUISIANA

Notes to Financial Statements

December 31, 2024

The Town of Keachi was incorporated in 1858 and was reincorporated under Legislative Act 109 of 1873 and is not subject to the Lawrason Act. The Town operates under a Mayor-Town Council form of government. The Town's major operations include public works and general administrative services.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accompanying financial statements of the Town of Keachi have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999.

B. Reporting Entity

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Town of Keachi is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Town of Keachi may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bond debt.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all the nonfiduciary activities of the primary government and its component units. For most part, the effect of interfund activity has been removed from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Taxes and other items are reported instead as general revenues.

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

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues were recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

TOWN OF KEACHI, LOUISIANA

Notes to Financial Statements

December 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

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

Franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Sales and use tax revenues are recorded in the month collected by the tax collector. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town of Keachi reports the following governmental funds:

Governmental Funds

Governmental funds account for all or most of the Town of Keachi's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition or construction of capital assets,

General Fund - is the general operating fund of the Town. It is used to account for all the financial resources except those required to be accounted for in another fund. General tax revenues and other sources of revenue used to finance the fundamental operations of the Town are included in this fund. The fund is charged with all the cost of operating the government for which a separate fund has not been established.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

E. Budgetary Accounting

Formal budgetary accounting is employed as a management control. The Town of Keachi prepares and adopts a budget each year for its general and special revenue funds in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting.

TOWN OF KEACHI, LOUISIANA

Notes to Financial Statements

December 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Town amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

F. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 9, the Town of Keachi, Louisiana defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

G. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible. Town of Keachi had no receivables at December 31, 2023.

H. Capital Assets

Depreciation is computed using the straight line method over the estimated useful life of the assets, 10 to 40 years for buildings and other improvements, 10 to 25 years for the distribution system, and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

I. Compensated Absences

Town of Keachi has no full-time employees. Therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

J. Estimates

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

TOWN OF KEACHI, LOUISIANA

Notes to Financial Statements

December 31, 2024

NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

For reporting purposes, deposits with financial institutions includes savings, demand deposits, time deposits and certificates of deposits. Under state law the Town of Keachi may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the fund may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are 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 bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2024, bank balances totaling \$750,000 secured by FDIC insurance and deposits of \$1,272,334 were collateralized by securities held by the Town's agent in the Town's name (Category 3 under the provisions of GASB Statement 3).

NOTE 3 CAPITAL ASSETS

A summary of the Town of Keachi's capital assets at December 31, 2024 follows:

	<u>Balance</u> <u>Jan. 1, 2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>Dec. 31, 2024</u>
Government Activities				
Land	\$ 7,500	\$ -	\$ -	\$ 7,500
Capital Assets, being depreciated				
Furniture and fixtures	6,147	-	-	6,147
Buildings and other improvements	481,040	14,766	-	495,806
Less accumulated depreciation	<u>(183,656)</u>	<u>(16,200)</u>	<u>-</u>	<u>(199,856)</u>
Total Capital Assets, net	<u>\$ 311,031</u>	<u>\$ (1,434)</u>	<u>\$ -</u>	<u>\$ 309,597</u>

NOTE 4 RISK MANAGEMENT

The Town of Keachi 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. The Town maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town.

TOWN OF KEACHI, LOUISIANA

Notes to Financial Statements

December 31, 2024

NOTE 5 -PRIOR PERIOD ADJUSTMENT

Net position and Fund Balance have been increased by \$11,680 at January 1, 2024 to correct deferred revenue at December 31, 2024.

TOWN OF KEACHI, LOUISIANA
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
General Fund
Budget (GAAP) Basis and Actual

For the Year Ended December 31, 2024

	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Taxes, Licenses, and Permits	\$ 175,300	\$ 146,700	\$ 142,733	\$ (3,967)
Royalty Income	20,000	7,500	6,403	(1,097)
Grants	-	-	-	-
Miscellaneous	900	3,000	12,258	9,258
Total Revenues	<u>196,200</u>	<u>157,200</u>	<u>161,394</u>	<u>4,194</u>
Expenditures				
General Government	<u>196,200</u>	<u>157,200</u>	<u>62,947</u>	<u>94,253</u>
Total Expenditures	<u>196,200</u>	<u>157,200</u>	<u>62,947</u>	<u>94,253</u>
Net Change in Fund Balances	-	-	98,447	98,447
Fund Balances, Beginning of year, Restated	<u>1,685,730</u>	<u>1,685,730</u>	<u>1,685,730</u>	<u>-</u>
Fund Balances, End of year	<u>\$ 1,685,730</u>	<u>\$ 1,685,730</u>	<u>\$ 1,784,177</u>	<u>\$ 98,447</u>

TOWN OF KEACHI, LOUISIANA

Schedule of Compensation Paid -
Mayor and Town Council
For the Year Ended December 31, 2024

Honorable Travis Whitfield, Mayor	\$ 600
William Buford	550
Jeanette Avila	600
Patty Russell	650
Jeffrey Ziegler	450
Michael Gresham	<u>300</u>
Total	<u>\$ 3,150</u>

TOWN OF KEACHI, LOUISIANA
Schedule of Compensation, Reimbursements, Benefits and Other Payments
to Agency Head
For the Year Ended December 31, 2024

Agency Head: Honorable Travis Whitfield, Mayor

Salary	\$	<u>600</u>
Payroll Taxes	\$	<u>46</u>
Reimbursement	\$	<u>-</u>

TOWN OF KEACHI, LOUISIANA

Schedule of Findings

For the Year Ended December, 31, 2024

Finding # 2024 - 1

Criteria:

Effective internal control requires segregation of duties.

Condition:

The segregation of duties is inadequate to provide effective internal control.

Cause:

The condition is due to space and economic limitations.

Effect:

Unknown.

Recommendation:

Whether or not it would be cost effective to correct a condition is not a factor in reporting requirements under accounting standards generally accepted in the United States of America. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all conditions reported under accounting standards generally accepted in the United States of America. In this case, both management and the independent accountant do not believe that correcting the condition described above is cost effective or practical, and accordingly, do not believe that any corrective action is necessary.

Management's Response and Corrective Action Plan:

We agree with the finding. We will make every effort to segregate duties as allowed by space and economic limitations.

Finding # 2024 - 2

Criteria:

RS 4211:19 prohibits the employment of a member of the immediate family of an agency head to be employed by the agency.

Condition:

An immediate family member of an Alderman was employed as Clerk from January, 2024 to July, 2024.

Cause:

Town of Keachi is a small town. It is very difficult to find someone to fill the position of Clerk. The immediate family member was the only person who would accept the job.

Effect:

Unknown.

Recommendation:

I recommend the Town comply with RS 42:119.

Management's Response and Corrective Action Plan:

We agree with the finding. The Clerk resigned the position in July, 2024.

TOWN OF KEACHI, LOUISIANA

Corrective Action Taken on Prior Year Findings

For the Year Ended December, 31, 2024

Finding # 2023 - 1

Condition:

The segregation of duties is inadequate to provide effective internal control.

Status:

No action was suggested and none was taken.

Finding # 2023 - 2

Condition:

The Town did not file its financial statements with the LLA within the time frame required by state law.

Status:

Resolved.

Finding # 2023 - 3

Condition:

The Town employed an immediate family member of an Alderman in the position of Clerk.

Status:

Resolved.