

TOWN OF KEACHI, LOUISIANA

FINANCIAL STATEMENTS

December 31, 2023

Marsha O. Millican
A Professional Accounting Corporation
Shreveport, Louisiana

TOWN OF KEACHI, LOUISIANA

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Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Mayor and Board of Aldermen
Town of Keachi
Keachi, Louisiana

I have reviewed the accompanying financial statements of the governmental activities, and major funds of Town of Keachi, as of and for the year ended December 31, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of Town of Keachi and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

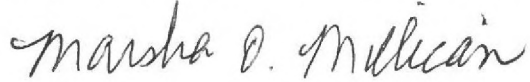
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary information on page 13 be presented to supplement the basic financial statements. Such information, although not a required 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 and 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.

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

Supplementary Information

My review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the basic financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying table of contents – the schedule of compensation paid to mayor and board of aldermen on page 14, and the schedule of compensation, benefits, and other payments to agency head on page 15 are presented for purposes of additional analysis and are not a required part of the basic financial statements. I have reviewed the information and based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the information and, accordingly, do not express an opinion on such information.



Certified Public Accountant
September 23, 2024

TOWN OF KEACHI, LOUISIANA

Statement of Net Position

December 31, 2023

ASSETS		
Current Assets		
Cash		\$ 1,657,919
Investments		<u>-</u>
Total Current Assets		<u>1,657,919</u>
Noncurrent Assets		
Restricted Cash		27,812
Capital Assets, net		<u>311,031</u>
Total Noncurrent Assets		<u>338,843</u>
Total Assets		<u>1,996,762</u>
Deferred Outflows of Resources		<u>-</u>
LIABILITIES AND NET POSITION		
Liabilities		
Unearned Revenue		<u>11,681</u>
Total Liabilities		<u>11,681</u>
Deferred Inflows of Resources		<u>-</u>
Net Position		
Invested in Capital Assets, net of related debt		311,031
Restricted for Construction		27,812
Unrestricted		<u>1,646,238</u>
Total Net Position		<u>\$ 1,985,081</u>

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

TOWN OF KEACHI, LOUISIANA

Statement of Activities
For the Year Ended December 31, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Operating Grants	Capital Grants and Contributions	Total
Governmental Activities:				
General Government	\$ 49,434	\$ -	\$ -	\$ (49,434)
Interest on Long-Term Debt	-	-	-	-
Total Governmental Activities	\$ 49,434	\$ -	\$ -	(49,434)
General Revenues:				
Occupational Licenses				21,044
Franchise Taxes				7,800
Sales Taxes				283,748
Royalty Income				8,194
Interest Income				615
Miscellaneous				825
Total General Revenues				322,226
Change in Net Position				272,792
Net Position, beginning of year (Restated)				1,712,289
Net Position, end of year				\$ 1,985,081

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

TOWN OF KEACHI, LOUISIANA

Balance Sheet
Governmental Fund
December 31, 2023

ASSETS	
CURRENT ASSETS	
Cash	\$ 1,657,919
Investments	<u>-</u>
Total Current Assets	1,657,919
OTHER ASSETS	
Restricted Cash	<u>27,812</u>
Total Assets	<u><u>\$ 1,685,731</u></u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Unearned Revenue	<u>\$ 11,681</u>
Fund Balance	
Committed	27,812
Unassigned	<u>1,646,238</u>
Total Fund Balance	<u>1,674,050</u>
Total Liabilities and Fund Balances	<u><u>\$ 1,685,731</u></u>

See accountant's review 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, 2023

Total Fund Balance for Governmental Funds	\$1,674,050
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>311,031</u>
Total Net Position of Governmental Activities	<u>\$1,985,081</u>

See accountant's review 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, 2023

Revenues:	
Occupational Licenses	\$ 21,044
Franchise Taxes	7,800
Grants	-
Sales Taxes	283,748
Royalty Income	8,194
Other Income	1,440
	<hr/>
Total Revenues	322,226
	<hr/>
Expenditures:	
Current:	
General Government	<hr/> 34,086
	<hr/>
Total Expenditures	34,086
	<hr/>
Net changes in fund balance	288,140
	<hr/>
Fund Balances, Beginning of Year (Restated)	1,385,910
	<hr/>
Fund Balances, End of Year	\$ 1,674,050
	<hr/> <hr/>

See accountant's review 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, 2023

Net changes in Fund Balances - Total Government Funds	\$ 288,140
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 (\$15,348) exceed capital outlay (\$-0-).	<u>(15,348)</u>
Change in net position of Governmental Activities	<u>\$ 272,792</u>

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

TOWN OF KEACHI, LOUISIANA

Notes to Financial Statements

December 31, 2023

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, 2023

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, 2023

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.

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, 2023, bank balances totaling \$546,198 were secured by FDIC insurance and deposits of \$1,139,653 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, 2023 follows:

	Balance Jan. 1, 2023	Additions	Retirements	Balance Dec. 31, 2023
Government Activities				
Land	\$ 7,500	\$ -	\$ -	\$ 7,500
Capital Assets, being depreciated				
Furniture and fixtures	6,147	-	-	6,147
Buildings and other improvements	481,040	-	-	481,040
Less accumulated depreciation	(168,308)	(15,348)	-	(183,656)
Total Capital Assets, net	<u>\$ 326,379</u>	<u>\$ (15,348)</u>	<u>\$ -</u>	<u>\$ 311,031</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, 2023

NOTE 5 -PRIOR PERIOD ADJUSTMENT

Net position and Fund Balance have been increased by \$16,522 at January 1, 2023 to correct the cash balance at December 31, 2022.

NOTE 6 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 23, 2024, the date the financial statements were available to be issued, and determined no further disclosures are necessary.

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, 2023

	<u>Original</u>	<u>Amended*</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Taxes, Licenses, and Permits	\$ 145,300	\$ 145,300	\$ 312,592	\$ 167,292
Royalty Income	20,000	20,000	8,194	(11,806)
Grants	-	-	-	-
Miscellaneous	900	900	1,440	540
Total Revenues	<u>166,200</u>	<u>166,200</u>	<u>322,226</u>	<u>156,026</u>
Expenditures				
General Government	<u>55,840</u>	<u>55,840</u>	<u>34,086</u>	<u>21,754</u>
Total Expenditures	<u>55,840</u>	<u>55,840</u>	<u>34,086</u>	<u>21,754</u>
Net Change in Fund Balances	110,360	110,360	288,140	177,780
Fund Balances, Beginning of year, Restated	<u>1,385,910</u>	<u>1,385,910</u>	<u>1,385,910</u>	<u>-</u>
Fund Balances, End of year	<u>\$ 1,496,270</u>	<u>\$ 1,496,270</u>	<u>\$ 1,674,050</u>	<u>\$ 177,780</u>

* The budget was not amended in 2023.

TOWN OF KEACHI, LOUISIANA

Schedule of Compensation Paid -
Mayor and Town Council
For the Year Ended December 31, 2023

Honorable Travis Whitfield, Mayor	\$ 600
William Buford	500
Jeanette Avila	550
Patty Russell	450
Jeffrey Ziegler	550
Michael Gresham	<u>300</u>
Total	<u>\$ 2,950</u>

TOWN OF KEACHI, LOUISIANA
Schedule of Compensation, Reimbursements, Benefits and Other Payments
to Agency Head
For the Year Ended December 31, 2023

Agency Head: Honorable Travis Whitfield, Mayor

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



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Aldermen
Town of Keachi
Keachi, Louisiana

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Town of Keachi (the Town) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village's compliance with certain laws and regulations during the year ended December 31, 2023 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$60,000, or public works exceeding \$250,000 and determine whether such purchases were made in accordance with LSA-RS 38:221-2296.(the public bid law) and report whether the expenditures were made in accordance with these laws.

No expenditures were made during the year for material and supplies exceeding \$60,000, or public works exceeding \$250,000 during the year ended December 31, 2023.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124, and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

One of the employees included on the list of employees provided by the Town procedure (3) appeared on the list provided by the Town (2).

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided a copy of the original budget.

6. Trace the budget adoption and amendments to the minute book.

I traced the adoption of the original budget to the minutes of a meeting held on December 1, 2022. The budget was not amended for the year ended December 31, 2023.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

I compared the revenues and expenditures of the amended budget to actual revenues and expenditures. Actual revenues exceeded budgeted amounts. Actual expenditures did not exceed budgeted amounts.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee;

I examined supporting documentation for six selected disbursements and found that payments were for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account; and

The six selected disbursements were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the proper authorities.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12.

The Town is only required to post a notice of each meeting and the accompanying agenda on the door of the building where the meeting is held. Management has informed me that these documents were properly posted.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or like indebtedness.

I inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the Town for the year indicated no approval for the payments noted. I also inspected payroll records for the year and noted no instances which would indicate payment to employees which would constitute bonuses, advances, or gifts.

Prior Comments and Recommendations

12. Review any prior year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

My prior year compilation report, dated January 6, 2024, includes an unresolved matter of inadequate segregation of duties due to limited personnel. The Town continues to strive to limit exposure to this risk, but it continues to be an ongoing risk due to limited personnel versus the cost effectiveness of adding sufficient employees. My report also included an unresolved matter of failure to file annual financial statements within the time frame required by state law.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

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

This report is intended solely to describe the scope of testing performed on the Town's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the *Louisiana Audit Guide*, 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 Louisiana Legislative Auditor as a public document.



Certified Public Accountant
September 23, 2024

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

September 5, 2024

Marsha O. Millican APAC
810 Wilkinson
Shreveport, Louisiana 71104

(Auditors)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2023, and for the year then ended, as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes No

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes No

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes No

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes No

We have had our financial statements reviewed in accordance with LSA-RS 24:513.

Yes No

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1A(2); and that were subject to the public bid law (R.S. 38:221, et seq.) While the agency was not in compliance with R.S. 24:513 (the audit law). Yes [X] No []

We have complied with R.S. 24:513A (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer. Yes [X] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:28. Yes [X] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65. Yes [X] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729. Yes [X] No []

Prior Year Comments

We have resolved all prior-year recommendations and/or comments. Yes [X] No []

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations. Yes [X] No []

We have evaluated our compliance with these laws and regulations prior to making these representations. Yes [X] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. Yes [X] No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures. Yes [X] No []

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. Yes [X] No []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report. Yes [X] No []

The previous responses have been made to the best of our belief and knowledge.

<u><i>David W. Hines</i></u>	Mayor	<u>9-5-24</u>	Date
<u><i>John Ziegler</i></u>	Alderman	<u>9-5-24</u>	Date
<u><i>Melba H. Hines</i></u>	Alderman	<u>9-5-24</u>	Date

TOWN OF KEACHI, LOUISIANA

Schedule of Findings

For the Year Ended December, 31, 2023

Finding # 2023 - 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 # 2023 - 2

Criteria:

State law requires the Town to file its financial statements within six months of year end with the Louisiana Legislative Auditor (LLA).

Condition:

The Town did not file its financial statements within six months of year end with the LLA.

Cause:

Due to turnover in the Town's accounting function, the review engagement was not completed by the statutory deadline.

Effect:

Unknown.

Recommendation:

I recommend the Town comply with state law.

Management's Response and Corrective Action Plan:

We agree with the finding. Future filings will be made on a timely basis.

TOWN OF KEACHI, LOUISIANA

Schedule of Findings (Continued)

For the Year Ended December, 31, 2023

Finding # 2023 - 3

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:

The Town employed an immediate family member of an Alderman in the position of Clerk. It appears the Town is in violation of RS 4211:19. However, only the Board of Ethics can make a determination if a violation has occurred.

Cause:

Town of Keachi is a small town. It is very difficult to find someone to fill the position of Clerk. While we did not formally advertise for the position, we made inquiries by word of mouth. The current Clerk was the only person who would accept the position.

Effect:

Unknown.

Recommendation:

I recommend the Town comply with RS 42:1119.

Management's Response and Corrective Action Plan:

We agree with the finding. We will comply with RS 42:1119 whenever feasible.

TOWN OF KEACHI, LOUISIANA

Corrective Action Taken on Prior Year Findings

For the Year Ended December, 31, 2022

Finding # 2021 - 1

Condition:

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

Status:

No action was suggested and none was taken.