

TOWN OF MELVILLE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2024



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March 28, 2025

Independent Auditors' Report

The Honorable Mayor and Board of Aldermen
Town of Melville, Louisiana

REPORT ON THE FINANCIAL STATEMENTS

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining funding information of the Town of Melville, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Melville’s basic financial statements as listed in the table of contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-Type Activities	Qualified
General Fund	Unmodified
Sales Tax Fund	Unmodified
Utility Fund	Qualified
Aggregate Remaining Fund Information	Unmodified

Qualified Opinion on the Business-Type Activities and the Utility Fund

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions Section of our Report, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and Utility Fund for the Town of Melville as of September 30, 2024 and the 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.

Unmodified Opinion on the Governmental Activities, General Fund, Sales Tax Fund, and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, general fund, sales tax fund, and the aggregate remaining fund information of the Town of Melville, as of September 30, 2024, and the



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respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified, and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Melville, 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 qualified and unmodified audit opinions.

Matters Giving Rise to the Qualified Opinion of the Business-Type Activities, Utility Fund

A variety of factors, including incomplete records, insufficient documentary evidence, and a cumbersome utility software program prevented management from being able to reconcile accounts receivable balances in the utility fund to the general ledger. The effect of management's inability to reconcile these balances on the financial statements has not been determined.

Emphasis-of-Matter

As discussed in Note 12 to the financial statements, the Town has suffered recurring losses from operations. Management's evaluation of the events and conditions and management's plans to mitigate these matters are also described in Note 12. Our opinion is not modified with respect to this matter.

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 Melville'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 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 Melville'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 Melville'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 the information listed below to supplement the basic financial statements.

- Management's Discussion and Analysis
- Budgetary Comparison Information

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 engagement to 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 Melville'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.

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARD

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2025, on our consideration of the Town of Melville'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 engagement in accordance with *Government Auditing Standards* in considering the Town of Melville's internal control over financial reporting and compliance.



ROZIER, MCKAY & WILLIS
Certified Public Accountants
Alexandria, Louisiana



March 28, 2025

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 Mayor and Board of Aldermen
Town of Melville, 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 Melville, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated March 28, 2025.

Internal Control over Financial Reporting

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

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

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



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to merit attention by those charged with governance. We consider the deficiency described as 2024-007 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Melville's financial statements are free from 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 instances of noncompliance or matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and as items 2024-001, 2024-002, 2024-003, 2024-004, 2024-005, and 2024-006.

Town of Melville'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 engagement to audit and described in the accompanying schedule of findings. The Town's response was not subjected to the other auditing procedures applied in the engagement to audit of the 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 engagement to perform an audit 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, Louisiana

Town of Melville

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2024

This section of the Town of Melville's annual financial report presents our discussion and analysis of the Town's financial performance during the fiscal year ended September 30, 2024.

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 utility 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 the utility system and sanitation 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 utility system and sanitation services. Proprietary fund financial statements typically provide a more detail presentation of the information reported in the business-type activities portion of the government-wide financial statements.

TOWN OF MELVILLE

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2024

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:

	<u>September 30, 2024</u>			<u>For the</u>
	<u>Govern-</u>	<u>Business-</u>	<u>Total</u>	<u>Year Ended</u>
	<u>mental</u>	<u>Type</u>		<u>Sept. 30, 2023</u>
	<u>Activities</u>	<u>Activities</u>		
<u>Assets:</u>				
Current and Other Assets	\$ 94,076	\$ 82,638	\$ 176,714	\$ 214,788
Capital Assets	286,266	2,132,357	2,418,623	2,611,827
Total Assets	<u>380,342</u>	<u>2,214,995</u>	<u>2,595,337</u>	<u>2,826,615</u>
<u>Liabilities:</u>				
Current and Other Liabilities	114,212	64,034	178,246	198,527
Long-Term Liabilities	48,000	999,699	1,047,699	1,114,065
Total Liabilities	<u>162,212</u>	<u>1,063,733</u>	<u>1,225,945</u>	<u>1,312,592</u>
<u>Net Position:</u>				
Invested in Capital Assets (Net)	238,266	1,132,658	1,370,924	1,497,762
Unrestricted	(20,136)	18,604	(1,532)	16,261
Total Net Position	<u>\$ 218,130</u>	<u>\$ 1,151,262</u>	<u>1,369,392</u>	<u>1,514,023</u>

As the presentation appearing above demonstrates, all of the Town's net position is invested in capital assets. Net assets invested in capital assets consist of land, buildings, and equipment less any debt used to acquire the assets that remain outstanding. The Town uses these capital assets to provide services to its citizens; consequently, these amounts are not available for future spending. While the Town's unrestricted net position has been eliminated, the Town the ability to meet its ongoing obligations to creditors and other interested parties for the foreseeable future.

Changes in Net Position

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

TOWN OF MELVILLE

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2024

	September 30, 2024			For the Year Ended Sept. 30, 2023
	Governmental Activities	Business- Type Activities	Total	
Revenues:				
Program Revenue:				
Charges for Services	\$ 137,784	\$ 499,701	\$ 637,485	\$ 551,298
Operating Grants and Contributions	150,000	----	150,000	204,235
Capital Grants and Contributions	----	----	----	----
General Revenue:				
Property Taxes	19,062	----	19,062	19,159
Sales Taxes	141,519	----	141,519	151,251
Franchise Taxes	105,975	----	105,975	104,451
Occupational Licenses	36,258	----	36,258	29,039
Miscellaneous	2,976	35	3,011	4,928
Total Revenue	<u>593,574</u>	<u>499,736</u>	<u>1,093,310</u>	<u>1,064,361</u>
Program Expenses:				
General Government	489,523	----	489,523	483,821
Public Safety	232,988	----	232,988	25,813
Streets and Drainage	11,167	----	11,167	7,679
Culture and Recreation	----	----	----	----
Utility	----	504,263	504,263	405,330
Total Expenses	<u>733,678</u>	<u>504,263</u>	<u>1,237,941</u>	<u>922,643</u>
Increase in Net Position Before Transfers	(140,104)	(4,527)	(144,631)	141,718
Transfers	130,358	(130,358)	----	----
Change in Net Position	<u>(9,746)</u>	<u>(134,885)</u>	<u>(144,631)</u>	<u>141,718</u>
Net Position Beginning	<u>227,876</u>	<u>1,286,147</u>	<u>1,514,023</u>	<u>1,394,722</u>
Prior Period Adjustment	----	----	----	(22,417)
Net Position Beginning	227,876	1,286,147	1,514,023	1,372,305
Net Position Ending	<u>\$ 218,130</u>	<u>\$ 1,151,262</u>	<u>\$ 1,369,392</u>	<u>\$ 1,514,023</u>

Governmental activities decreased the Town's net position by \$9,746. This decrease is attributable to increases in public safety expenses.

Business-type activities decreased the Town's net position by \$134,885. This decrease is primarily attributable to transfers made to support governmental activities.

TOWN OF MELVILLE

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2024

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 \$ (20,136) which represents a decrease of \$9,104 in comparison to the previous balance. This decrease is primarily attributable to an increase in public safety expenses.
- Amounts reported for business-type activities in the Town's individual funds are identical to the business-type activities reported on the government-wide presentation.

General Fund Budget Highlights

The general fund and sales tax fund are required by law to adopt a budget. The budget was amended as necessary. Some revisions of the original budget were necessary in order to address additional revenues and expenditures not anticipated with the original budget. A summary of each budget compared to actual amounts is presented as follows:

	General Fund		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues / Other Sources	\$ 509,896	\$ 906,338	\$ 894,699	\$ (11,639)
Total Expenditures / Other Uses	449,869	823,632	862,910	(39,278)
Net Change in Fund Balances	<u>\$ 60,027</u>	<u>\$ 82,706</u>	<u>\$ 31,789</u>	<u>\$ (50,917)</u>

	Sales Tax		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues / Other Sources	\$ 120,024	\$ 148,050	\$ 141,554	\$ (6,496)
Total Expenditures / Other Uses	120,000	184,724	182,447	2,277
Net Change in Fund Balances	<u>\$ 24</u>	<u>\$ (36,674)</u>	<u>\$ (40,893)</u>	<u>\$ (4,219)</u>

Capital Asset Administration

In the current year, capital asset activity was limited to depreciating existing capital assets.

Debt Administration

Activity was limited to making required payments on existing long-term obligations.

Factors Expected to Affect Future Operations

Factors expected to affect future operations are detailed in Note 12 to the financial statements.

Town of Melville

STATEMENT OF NET POSITION

September 30, 2024

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 71,417	\$ 13,795	\$ 85,212
Receivables (net)	22,659	55,595	78,254
Other	-	-	-
Restricted Assets - Cash and Cash Equivalents	-	13,248	13,248
Due from Other Funds	-	-	-
Capital Assets:			
Non depreciable capital assets	92,159	-	92,159
Depreciable, net	<u>194,107</u>	<u>2,132,357</u>	<u>2,326,464</u>
Total assets	<u>380,342</u>	<u>2,214,995</u>	<u>2,595,337</u>
<u>LIABILITIES</u>			
Accounts Payable and Accrued Expenses	114,212	36,350	150,562
Deposits due others	-	27,684	27,684
Long-term liabilities			
Long -Term Debt			
Due within one year	9,000	19,106	28,106
Due in more than one year	<u>39,000</u>	<u>980,593</u>	<u>1,019,593</u>
Total liabilities	<u>162,212</u>	<u>1,063,733</u>	<u>1,225,945</u>
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	238,266	1,132,658	1,370,924
Restricted for Capital Projects	-	-	-
Unrestricted	<u>(20,136)</u>	<u>18,604</u>	<u>(1,532)</u>
Total net position (deficit)	<u>\$ 218,130</u>	<u>\$ 1,151,262</u>	<u>\$ 1,369,392</u>

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

Town of Melville

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2024

	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
Governmental Activities:							
General Government	\$ 486,302	\$ 23,730	\$ 150,000	\$ -	\$ (312,572)	\$ -	\$ (312,572)
Public Safety	232,988	56,274	-	-	(176,714)	-	(176,714)
Streets, Drainage, & Recreation	11,167	57,780	-	-	46,613	-	46,613
Interest on Long-Term Debt	3,221	-	-	-	(3,221)	-	(3,221)
Total Governmental Activities	733,678	137,784	150,000	-	(445,894)	-	(445,894)
Business-Type Activities:							
Utility System	504,263	499,701	-	-	-	(4,562)	(4,562)
Total Business-Type Activities	504,263	499,701	-	-	-	(4,562)	(4,562)
Total Primary Government	\$ 1,237,941	\$ 637,485	\$ 150,000	\$ -	(445,894)	(4,562)	(450,456)
General Revenues:							
Taxes:							
Ad Valorem				19,062	-		19,062
Sales Taxes				141,519	-		141,519
Franchise				105,975	-		105,975
Occupational Licenses				36,258	-		36,258
Other				2,976	35		3,011
Transfers				130,358	(130,358)		-
Total General Revenues and Transfers				436,148	(130,323)		305,825
Change in Net Assets				(9,746)	(134,885)		(144,631)
Net Position Beginning				227,876	1,286,147		1,514,023
Net Position Ending				\$ 218,130	\$ 1,151,262		\$ 1,369,392

(140,104)

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

Town of Melville

Balance Sheet

Governmental Funds - September 30, 2024

	<u>General</u>	<u>Sales Tax</u>	<u>Total Governmental Funds</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 50,822	\$ 20,595	\$ 71,417
Receivables (Net)	12,473	10,186	22,659
Interfund Due To/From	-	-	-
Total Assets	<u>\$ 63,295</u>	<u>\$ 30,781</u>	<u>\$ 94,076</u>
<u>Liabilities and Fund Balance</u>			
<u>Liabilities</u>			
Accounts and Other Payables	\$ 114,212	\$ -	\$ 114,212
Accrued Expenses	-	-	-
Total Liabilities	<u>114,212</u>	<u>-</u>	<u>114,212</u>
<u>Fund Balance</u>			
Unassigned	(50,917)	30,781	(20,136)
Total Fund Balance	<u>(50,917)</u>	<u>30,781</u>	<u>(20,136)</u>
Total Liabilities and Fund Balance	<u>\$ 63,295</u>	<u>\$ 30,781</u>	<u>\$ 94,076</u>

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

Town of Melville

Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Assets of Governmental Activities on the Statement of Net Position

Year Ended September 30, 2024

Total Fund Balances - Governmental Funds	\$	(20,136)
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.		286,266
Long term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Fund Balance Sheet		<u>(48,000)</u>
Net Position of Governmental Activities	\$	<u>218,130</u>

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

Town of Melville

Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds - Year Ended September 30, 2024

	General Fund	Sales Tax	Total Governmental Funds
<u>Revenues:</u>			
Taxes:			
Ad Valorem	\$ 19,062	\$ -	\$ 19,062
Sales Tax	-	141,519	141,519
Licenses and Permits:			
Occupational Licenses	36,258	-	36,258
Franchise	105,975	-	105,975
Other permits	-	-	-
Fines and Fees	6,832	-	6,832
Intergovernmental:			
Payment in Lieu of Taxes	3,930	-	3,930
Other Intergovernmental	221,708	-	221,708
Other	58,255	35	58,290
Total Revenues	452,020	141,554	593,574
<u>Expenditures:</u>			
Current:			
General Government	468,027	-	468,027
Public Safety	212,363	-	212,363
Streets and Drainage	4,701	-	4,701
Debt Service	47,945	-	47,945
Capital Outlays	-	-	-
Total Expenditures	733,036	-	733,036
Excess (Deficiency) of Revenues over Expenditures	(281,016)	141,554	(139,462)

Continued...

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

Town of Melville

Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds - Year Ended September 30, 2024

	<u>General</u>	<u>Sales Tax</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(281,016)</u>	<u>141,554</u>	<u>(139,462)</u>
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	442,679	-	442,679
Operating Transfers Out	<u>(129,874)</u>	<u>(182,447)</u>	<u>(312,321)</u>
Total Other Financing Sources (Uses)	<u>312,805</u>	<u>(182,447)</u>	<u>130,358</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	<u>31,789</u>	<u>(40,893)</u>	<u>(9,104)</u>
Fund Balance - Beginning	<u>(82,706)</u>	<u>71,674</u>	<u>(11,032)</u>
Fund Balance - End of Year	<u>\$ (50,917)</u>	<u>\$ 30,781</u>	<u>\$ (20,136)</u>

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

Town of Melville

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

Year Ended September 30, 2024

Net change in fund balances of Governmental Funds \$ (9,104)

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 in the current period.

Capital expenditures reported by Governmental Funds	-	
Depreciation expense reported on a government-wide basis	<u>(45,366)</u>	(45,366)

Repayment of Long Term Debt is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net position	<u>44,724</u>	
---	---------------	--

Change in net position of governmental activities		<u>\$ (9,746)</u>
---	--	-------------------

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

Town of Melville

Statement of Net Position

Proprietary Funds - Year Ended September 30, 2024

	<u>Business-Type Activities</u>
	<u>Utility System</u>
<u>Assets</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 13,795
Receivables (Net)	55,595
Total Current Assets	<u>69,390</u>
Restricted Assets:	
Cash and Cash Equivalents	<u>13,248</u>
Noncurrent Assets:	
Non-Depreciable Capital Assets	
Land	-
Depreciable Capital Assets, Net	<u>2,132,357</u>
Total Noncurrent Assets	<u>2,132,357</u>
Total Assets	<u>2,214,995</u>
<u>Liabilities:</u>	
Current Liabilities:	
Accounts and Other Payables	36,350
Deposits Due Others	27,684
Compensated Absences	-
Total Current Liabilities	<u>64,034</u>
Liabilities Payable from Restricted Assets	
Current Portion of Long-Term Debt	19,106
Noncurrent Liabilities	
Long-Term Debt	<u>980,593</u>
Total Noncurrent Liabilities	<u>999,699</u>
Total Liabilities	<u>1,063,733</u>
<u>Net Position:</u>	
Invested in Capital Assets, Net of Related Debt	1,132,658
Unrestricted	<u>18,604</u>
Total Net Position	<u>\$ 1,151,262</u>

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

Town of Melville

Statement of Revenues, Expenditures, and Changes in Fund Net Assets Proprietary Funds - Year Ended September 30, 2024

	Business-Type Activities
	Utility System
<u>Operating Revenues:</u>	
Charges for Services:	
Gas Sales	\$ 123,858
Water Sales	224,635
Sewer Charges	149,050
Miscellaneous	2,158
Total Operating Revenues	499,701
<u>Operating Expenses:</u>	
Natural Gas Purchases	33,713
Salaries and wages	79,748
Materials, Supplies, and Maintenance	116,091
Office and Postage	22,445
Legal and Professional	11,014
Utilities and Telephone	46,844
Depreciation	147,839
Total Operating Expenses	457,694
Operating Income (Loss)	42,007
<u>Non-Operating Revenues (Expenses):</u>	
Interest Income	35
Interest Expense	(46,569)
Change in Net Assets Before Contributions and Transfers	(4,527)
<u>Contributions and Transfers:</u>	
Operating Transfers In	135,186
Operating Transfers Out	(265,544)
Change in Net Position	(134,885)
Net Position Beginning, Originally Reported	1,286,147
Total Net Position - Ending	\$ 1,151,262

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

Town of Melville

Statement of Cash Flows

Proprietary Funds - Year Ended September 30, 2024

	<u>Business-Type Activities</u>
	Utility System
<u>Cash Flow from Operating Activities:</u>	
Cash Received from Customers	\$ 478,051
Cash Payments to Suppliers of Goods and Services	(231,499)
Cash Payments to Employees for Service	(79,748)
Net Cash Provided (Used) by Operating Activities	<u>166,804</u>
<u>Cash Flows from Non-Capital Financing Activities</u>	
Interfund Activity, Net	-
Operating Transfers, Net	(130,358)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(130,358)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Interest Paid on Debt	(46,569)
Principle Paid on Debt	(21,642)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(68,211)</u>
<u>Cash Flows from Investing Activities:</u>	
Interest and Other Income	35
Net Cash Provided (Used) by Investing Activities	<u>35</u>
Net Increase (Decrease) in Cash	(31,730)
Beginning Cash Balance	<u>58,773</u>
Ending Cash Balance	27,043
Cash - Restricted	<u>(13,248)</u>
Cash - Unrestricted	<u>\$ 13,795</u>

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

Town of Melville

Statement of Cash Flows (Continued)

Proprietary Funds - Year Ended September 30, 2024

	<u>Business-Type Activities</u>
	Utility
	<u>System</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
Operating Income (Loss)	\$ 42,007
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities:	
Depreciation	147,839
(Increase) Decrease in Accounts Receivable	(23,792)
(Increase) Decrease in Prepaid Expenses	-
(Decrease) Increase in Accounts Payable	(1,392)
(Decrease) Increase in Meter Deposits	<u>2,142</u>
Net Cash Provided (Used) by Operating Activities	 <u><u>\$ 166,804</u></u>

Supplemental disclosures of cash flow information:

For the year ended September 30, 2024 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 MELVILLE
Notes to Financial Statements
September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Melville, 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 (gas, water, and sewerage), and general administrative services.

The accompanying policies of the Town of Melville, 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 Melville 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 Melville has no component units for the year ended September 30, 2024.

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 MELVILLE
Notes to Financial Statements
September 30, 2024

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.
 - Sales Tax fund – The Town receives 1.2 percent sales and use tax dedicated to the construction, improvement, and maintenance of public streets and bridges within the Town, as well as maintaining and operating sewers and sewerage disposal facilities of the Town.
- Proprietary Funds
 - Utility System – The utility fund is used to account for the operation of the Town's water, sewer, and natural gas system which are supported by user charges.

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:

TOWN OF MELVILLE
Notes to Financial Statements
September 30, 2024

<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

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 OF MELVILLE
Notes to Financial Statements
September 30, 2024

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.

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.

Encumbrance Accounting

Purchase orders, contracts, and other commitments to engage in future expenditures are referred to as encumbrances. Since encumbrances do not represent liabilities or current expenditures, encumbrances are not reported in the accompanying financial statements.

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 September 30, 2024, cash and cash equivalents totaled \$98,460 (book balance) and \$113,901 (bank balance). Of this balance, \$13,248 is restricted.

Deposits are stated at cost, which approximates market value. 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 that is mutually acceptable to both parties.

TOWN OF MELVILLE
Notes to Financial Statements
September 30, 2024

At September 30, 2024, the Town's bank deposits are secured from risk by \$250,000 of federal deposit insurance.

NOTE 3 - RECEIVABLES

Receivables at September 30, 2024, consisted of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Accounts Receivable</u>			
Charges for Services	\$ ----	\$ 466,988	\$ 466,988
Franchise Taxes	8,383	----	8,383
Occupational License	----	----	----
Other	4,090	----	4,090
Total Accounts Receivables	<u>12,473</u>	<u>466,988</u>	<u>479,461</u>
<u>Due From Other Governmental Units</u>			
Sales Taxes	10,186	----	10,186
Other	----	----	----
Total Due From Other Governmental Units	<u>10,186</u>	<u>----</u>	<u>10,186</u>
Total Receivables	22,659	466,988	489,647
Allowance for Doubtful Accounts	----	(411,393)	(411,393)
Net Receivables	<u>\$ 22,659</u>	<u>\$ 55,595</u>	<u>\$ 78,254</u>

NOTE 4 – 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	\$ 48,000	\$ 999,699	\$ 1,047,699
Installment Purchases	----	----	----
Total Long-term Debt	<u>48,000</u>	<u>999,699</u>	<u>1,047,699</u>
Due Within One Year	<u>9,000</u>	<u>19,106</u>	<u>28,106</u>
Due in More Than One Year	<u>\$ 39,000</u>	<u>\$ 980,593</u>	<u>\$ 1,019,593</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Revenue Bonds	\$ 57,000	\$ ----	\$ 9,000	\$ 48,000
Installment Purchases	35,724	----	35,724	----
Total Governmental Activities	<u>\$ 92,724</u>	<u>\$ ----</u>	<u>\$ 44,724</u>	<u>\$ 48,000</u>

TOWN OF MELVILLE
Notes to Financial Statements
September 30, 2024

Business-Type Activities

Revenue Bonds	1,021,341	----	21,642	999,699
Total Business-Type Activities	1,021,341	----	21,642	999,699
Total Long-Term Liabilities	1,114,065	\$ ----	\$ 66,366	1,047,699

Revenue Bonds

The Town issued revenue bonds that are secured by and payable solely from a pledge of funds generated by a specific revenue source. Revenue bonds outstanding at September 30, 2023 are described as follows:

Limited Tax Bonds, Series 2018, issued September 1, 2019, due in annual payments of \$8,000 - \$10,000 through September 1, 2029, interest at 3% due in semi-annual payments on March 1 and September 1.

\$ 48,000

\$1,198,000 Sewer Revenue Bonds dated March 11, due in monthly installments of \$5,247 through March 28, 2051; interest at 4.25%, secured by system revenue and 1.2 percent sales and use tax.

\$ 999,699

Total Installment Agreements

\$ 1,047,699

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 Sept. 30th</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal Installments</u>	<u>Interest</u>	<u>Principal Installments</u>	<u>Interest</u>
2025	\$ 9,000	\$ 1,440	\$ 19,106	\$ 38,611
2026	9,000	1,170	21,708	41,256
2027	10,000	900	22,649	40,315
2028	10,000	600	23,631	39,333
2029	10,000	300	24,655	38,309
2030 – 2034	----	----	140,259	174,561
2035 – 2039	----	----	173,402	141,418
2040 – 2044	----	----	214,377	100,443
2045 – 2049	----	----	265,035	49,785
2050 – 2051	----	----	94,877	3,428
Total Governmental	\$ 48,000	\$ 4,410	\$ 999,699	\$ 667,459

NOTE 5 – AD VALOREM TAXES

The Town bills and collects its own property taxes using assessed values determined by the Tax Assessor of St. Landry Parish.

TOWN OF MELVILLE
Notes to Financial Statements
September 30, 2024

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 September 30, 2024, the Town levied 6.30 mills of ad valorem taxes totaling \$19,062 which were dedicated to the general corporate purposes of the Town.

NOTE 6 - FIXED ASSETS

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

	Beginning Balance	Additions	Disposals	Ending Balance
<u>Governmental Activities</u>				
Non-Depreciable Capital Assets				
Construction in Progress	\$ ----	\$ ----	\$ ---	\$ ----
Land	92,159	----	----	92,159
Total	<u>92,159</u>	<u>----</u>	<u>----</u>	<u>92,159</u>
Depreciable Capital Assets				
Buildings	704,742	----	----	704,742
Improvements	115,878	----	----	115,878
Equipment	817,932	----	----	817,932
Accumulated Depreciation	(1,399,079)	(45,366)	----	(1,444,445)
Total	<u>239,473</u>	<u>(45,366)</u>	<u>----</u>	<u>194,107</u>
Total Governmental Activities	<u>\$ 331,632</u>	<u>\$ (45,366)</u>	<u>\$ ----</u>	<u>\$ 286,266</u>
<u>Business-Type Activities</u>				
Non-Depreciable Capital Assets				
Construction in Progress	\$ ---	\$ ----	\$ ----	\$ ---
Land	---	----	----	---
Total	<u>---</u>	<u>----</u>	<u>----</u>	<u>---</u>
Depreciable Capital Assets				
Gas Distribution System	1,388,462	----	----	1,388,462
Sewer System	4,481,625	----	----	4,481,625
Water Distribution System	1,619,141	----	----	1,619,141
Accumulated Depreciation	(5,209,032)	(147,839)	----	(5,356,871)
Total	<u>2,280,196</u>	<u>(147,839)</u>	<u>----</u>	<u>2,132,357</u>

TOWN OF MELVILLE
Notes to Financial Statements
September 30, 2024

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Total Business-Type Activities	2,280,196	(147,839)	----	2,132,357

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

Governmental Activities

General Government	\$ 18,275
Public Safety	20,625
Streets and Drainage	6,466
Total Depreciation – Governmental Activities	<u>\$ 45,366</u>

Business-Type Activities

Utility System	\$ 147,839
Total Depreciation – Business-Type Activities	<u>\$ 147,839</u>

NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

The following is a summary of accounts payable and accrued expenses at September 30, 2024:

	<u>Payable to Vendors</u>	<u>Payroll Liabilities</u>	<u>Total</u>
<u>Governmental Activities</u>			
General Fund	\$ 26,351	\$ 87,861	\$ 114,212
Non-Major Fund	----	----	----
Total Governmental	<u>\$ 26,351</u>	<u>\$ 87,861</u>	<u>\$ 114,212</u>
<u>Business-Type Activities</u>			
Utility System	36,350	----	36,350
Sanitation System	----	----	----
Total Business-Type	<u>36,350</u>	<u>----</u>	<u>36,350</u>
Total Accounts Payable And Payroll Liabilities	<u>\$ 62,701</u>	<u>\$ 87,861</u>	<u>\$ 150,562</u>

NOTE 8 - RISK MANAGEMENT

The Town of Melville 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.

TOWN OF MELVILLE
Notes to Financial Statements
September 30, 2024

NOTE 9- TRANSFERS

In the ordinary course of business, the Town routinely transfers resources between its funds in order to cover expenses as necessary. The transfers are presented as follows:

<u>Governmental Activities</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
General Fund	\$ 442,679	\$ (129,874)	\$ 312,805
Sales Tax	----	(182,447)	(182,447)
Total Transfers	<u>\$ 442,679</u>	<u>\$ (312,321)</u>	<u>\$ 130,358</u>
<u>Business-Type Activities</u>			
Utility System	135,186	(265,544)	(130,358)
Total Transfers	<u>135,186</u>	<u>(265,544)</u>	<u>(130,358)</u>
Net Transfers	<u>\$ 577,865</u>	<u>\$ (577,865)</u>	<u>\$ ----</u>

NOTE 10 – RESTRICTED RESOURCES

The Town’s Net Position is subject to restrictions described as follows:

- Bond covenants require the Town to establish bank accounts which serve as debt service and depreciation reserves. Funds may be disbursed from these accounts only under specific circumstances described by the bond covenants
- Certain sales tax proceeds are available only for street maintenance and improvement, and the maintenance of sewerage facilities.

NOTE 11 – CONTINGENCIES

Existing conditions that may have financial consequences in the future are referred to as contingencies. Contingencies existing at September 30, 2024 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.

NOTE 12– EMPHASIS-OF-MATTER

The Town has experienced significant operating losses over the past four fiscal years. In addition, the Town’s aging utility system is experiencing operational difficulties and failures, which additionally threaten the Town’s viability. The Town’s utility system doesn’t feature meters at most residences, and many sections of the utility system cannot be cut off individually, which has made utility theft rampant.

TOWN OF MELVILLE
Notes to Financial Statements
September 30, 2024

While the Town has been awarded a large federal grant to address many of these issues, construction will be a lengthy process, and the Town's financial position is rapidly deteriorating. On March 28, 2025, the date the financials were available to be issued, the Town's financial condition had continued to decline. The Town's plans to alleviate this situation include the completion of the utility project, to put an additional sales tax on the ballot, an additional property tax, and to further reduce departmental expenses.

Town of Melville

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual

Year Ended September 30, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes				
Ad Valorem	\$ 16,436	\$ 17,000	\$ 19,062	\$ 2,062
Sales Taxes	-	-	-	-
License and Permits				
Occupational Licenses	22,708	38,000	36,258	(1,742)
Franchise Fees	72,000	70,000	105,975	35,975
Fines and Fees	1,000	7,500	6,832	(668)
Rent	18,792	26,000	-	(26,000)
Intergovernmental				
Beer Taxes	1,200	1,000	-	(1,000)
Payment in Lieu of Taxes	-	3,930	3,930	-
Other Intergovernmental	66,936	251,708	221,708	(30,000)
Other	40,824	40,100	58,255	18,155
Interest	-	100	-	(100)
Total Revenues	239,896	455,338	452,020	(3,318)
Expenses:				
General Government	215,839	448,990	468,027	(19,037)
Public Safety	182,457	218,000	212,363	5,637
Streets and Drainage	51,573	24,142	4,701	19,441
Recreation	-	-	-	-
Debt Service	-	-	47,945	(47,945)
Capital Outlay	-	-	-	-
Total Expenses	449,869	691,132	733,036	(41,904)
Excess (Deficiency) of Revenues Over Expenditures	(209,973)	(235,794)	(281,016)	(45,222)
Other Financing Sources (Uses):				
Operating Transfers In	270,000	451,000	442,679	(8,321)
Operating Transfers Out	-	(132,500)	(129,874)	2,626
Total Other Financing Sources (Uses)	270,000	318,500	312,805	(5,695)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	60,027	82,706	31,789	(50,917)
Fund Balance - Beginning of Year, As Restated	(82,706)	(82,706)	(82,706)	-
Fund Balance - End of Year	\$ (22,679)	\$ -	\$ (50,917)	\$ (50,917)

Town of Melville

Sales Tax Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual

Year Ended September 30, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Taxes				
Sales Taxes	120,000	148,000	141,519	(6,481)
Other	-	-	35	35
Interest	24	50	-	(50)
Total Revenues	120,024	148,050	141,554	(6,496)
<u>Expenses:</u>				
General Government	-	-	-	-
Streets and Drainage	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenses	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	120,024	148,050	141,554	(6,496)
<u>Other Financing Sources (Uses):</u>				
Operating Transfers	(120,000)	(184,724)	(182,447)	2,277
	-	-	-	-
Total Other Financing Sources (Uses)	(120,000)	(184,724)	(182,447)	2,277
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	24	(36,674)	(40,893)	(4,219)
Fund Balance - Beginning of Year	71,674	71,674	71,674	-
Fund Balance - End of Year	\$ 71,698	\$ 35,000	\$ 30,781	\$ (4,219)

TOWN OF MELVILLE

Schedule of Compensation Paid to Board Members Year Ended September 30, 2024

Caretta Robertson	\$	25,100
April Butler		1,250
Peter Circello		1,250
Linda Haynes		1,250
Natasha Oliney		1,250
Tieuel Theardis		1,250
		<hr/>
Total Compensation	\$	<u>31,350</u>

TOWN OF MELVILLE

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer Year Ended September 30, 2024

	Agency Head (Mayor)	Caretta Robertson
Purpose:		
Compensation		25,100
Auto Allowance		400
Payroll Taxes		1,920
Reimbursements		320

Town of Melville

Justice System Funding Schedule - Collecting / Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session -
Cash Basis Presentation
For the Year Ended September 30, 2024

	First Six Month Period Ended March 31, 2024	Second Six Month Period Ended September 30, 2024
Beginning Balance of Amounts Collected	\$ -	\$ -
Add: Collections		
Criminal Criminal/Costs/Fees	3,705	3,127
Subtotal Collections	<u>3,705</u>	<u>3,127</u>
Less: Disbursements to Governments & Nonprofits		
St. Landry Crime Stoppers	-	-
Dept. of Health and Hospitals - Head Injury Fund	-	-
Louisiana Commission on Law Enforcement - Court Cost	-	-
Louisiana Supreme Court Assessment	-	-
State of Louisiana - CMIS Assessment	-	-
Less: Amounts Retained by the Town of Melville		
Self Disbursed Court Cost	3,705	3,127
Subtotal Disbursements / Retainage	<u>3,705</u>	<u>3,127</u>
Ending Balance of Amounts Collected but not Disbursed	<u>\$ -</u>	<u>\$ -</u>

TOWN OF MELVILLE

Schedule of Findings

September 30, 2024

Part I - Summary of Auditor's Results:

- The Independent Auditor's Report on the general-purpose financial statements for the Town of Melville, Louisiana, as of September 30, 2024, and for the year then ended expressed a qualified opinion.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-Type Activities	Qualified
General Fund	Unmodified
Sales Tax Fund	Unmodified
Utility Fund	Qualified
Aggregate Remaining Fund Information	Unmodified

- The audit disclosed one finding (2024-007) which is considered to be a material weakness in internal control over financial reporting.
- The audit disclosed six findings (2024-001 through 2024-006) related to noncompliance required to be reported.
- The Town was not required to have a Single Audit; therefore, none of the reporting requirements of OMB Circular A-133 was required.

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

Finding 2024-001 – Payroll Tax Reporting

- *Criteria:* The Town should file and pay payroll taxes as required by federal and state laws.
- *Condition:* The Town did not pay all required payroll taxes to the Internal Revenue Service and Louisiana Department of Revenue.
- *Cause:* The previous administration's accounting practices led to a lapse in the prompt payment of liabilities.
- *Effect:* Substantial penalties can result from the Town not properly filing or paying required tax liabilities. In addition, the Town may be in violation of state and federal law.
- *Recommendation:* We recommend that the Town review any correspondence received from taxing authorities, pay any amounts owed, and file any unfiled reports.

Finding 2024-002 – 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.
- *Cause:* The meter deposit balances have not been properly reconciled to the underlying accounting records.
- *Effect:* As the 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.

TOWN OF MELVILLE

Schedule of Findings

September 30, 2024

- *Recommendation:* We recommend that accounting personnel periodically review the list of meter deposits outstanding and reconcile the list to the Town's accounting records.

Finding 2024-003 –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, and has a large number of substantial past due accounts, including some of the Town's elected officials.
- *Cause:* The Town does not have the ability to cutoff utility customers, due to a lack of water meters and infrastructure throughout the Town's water distribution system.
- *Effect:* The Town may be in violation of Louisiana Revised Statutes.
- *Recommendation:* We recommend that the Town enforce a uniform cutoff policy. In cases where infrastructure doesn't exist to cutoff off customers, efforts must be made to install the required infrastructure to enable a uniform cutoff policy.

Finding 2024-004 –Debt Covenants

- *Criteria:* The Town is subjected to several debt covenants, in accordance with its debt held by the USDA.
- *Condition:* The Town did not comply with its debt covenants by failing to transfer monies to a separate sinking fund account.
- *Cause:* The current administration was not aware of all debt covenant requirements.
- *Effect:* The Town was not in compliance with its debt covenants at the end of the year.
- *Recommendation:* We recommend that the Town establish a tickler system, to ensure that all monthly transfers and payments are performed in the future.

Finding 2024-005 –Noncompliance with Salaries Set by Ordinance

- *Criteria:* The Lawrason Act requires that salaries for certain officials be set by ordinance.
- *Condition:* The Town paid salaries to elected officials in the current year, but was unable to produce the ordinance establishing the rate at which elected officials were to be remunerated.
- *Cause:* The Town's ordinance book was misplaced by a previous administration, and several ordinances cannot be located, including ordinances related to elected officials' salary.
- *Effect:* The Town may not have been in compliance with its ordinances establishing rates of pay for elected officials.
- *Recommendation:* We recommend that the Town adopt ordinances establishing the rate of pay for each elected official in the Town.

Finding 2024-006 –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.
- *Cause:* The previous Town Clerk was unaware of all amounts that should be remitted by statute.
- *Effect:* The Town may be in violation of Revised Statutes by not remitting these amounts.
- *Recommendation:* We recommend that the new clerk should receive training to remit required fines, fees, and court costs to all required entities.

TOWN OF MELVILLE

Schedule of Findings

September 30, 2024

Finding 2024-007 – Utility Billing Practices

- ***Criteria:*** The Louisiana Constitution forbids giving away a thing of value. In addition, municipalities that provide utilities should maintain sufficient records to track amounts owed to the municipality, with subsidiary ledgers that agree to the general ledger.
- ***Condition:*** In the current year, the Town was unable to produce accounts receivable subsidiary ledgers that accurately reflected amounts owed to the Town, or which agreed to the general ledger, causing the Town’s auditor to issue a qualified audit opinion.
- ***Cause:*** The Town’s inadequate utility billing software caused the Town’s inability to accurately track utility receivables.
- ***Effect:*** The Town may not be receiving all monies owed by customers of the system, and will not be accurately able to record utility revenues and related items.
- ***Recommendation:*** We recommend that the Town’s current administration begin to search for alternative utility billing systems, or make significant efforts to reconcile records within the current system.

TOWN OF MELVILLE

Management's Corrective Action Plan

September 30, 2024

**SECTION I
INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS**

Finding 2024-001 Payroll Tax Reporting

The Town did not pay all required payroll taxes to the Internal Revenue Service and Louisiana Department of Revenue.

Response:

While this obligation predated the current administration, we have resolved our outstanding bill with the state, and continue efforts to form an installment agreement with the Internal Revenue Service.

Finding 2024-002 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.

Response:

While this situation predated the current administration, we will continue our efforts to reconcile the meter deposit liability to the underlying accounts

Finding 2024-003 Uniform Cutoff Policy

The Town is not enforcing a uniform cutoff policy for nonpayment of utilities, and has a large number of substantial past due accounts, including some of the Town's elected officials.

Response:

We have been awarded a substantial grant to address this issue, and we anticipate that this matter will be resolved by the end of the next fiscal year.

Finding 2024-004 Debt Covenants

The Town did not comply with its debt covenants by failing to transfer monies to a separate sinking fund account.

Response:

We will institute a tickler system that will ensure that we transfer all required amounts to debt service funds on a monthly basis.

Finding 2024-005 Salaries Set by Ordinance

The Town paid salaries to elected officials in the current year, but was unable to produce the ordinance establishing the rate at which elected officials were to be remunerated.

Response:

We have now adopted ordinances for elected official pay, and complied with the adopted ordinances in the current year.

Finding 2024-006 Collections on Behalf of Other

During audit procedures, it was determined that the Town has not remitted all fees, fines, and court costs collected on behalf of other entities to the required entities.

Response:

We will find appropriate training for our accounting personnel, and ensure that in the future all required payments are remitted.

Finding 2024-007 Utility Billing Practices

In the current year, the Town was unable to produce accounts receivable subsidiary ledgers that accurately reflected amounts owed to the Town, or which agreed to the general ledger, causing the Town's auditor to issue a qualified audit opinion.

Response:

In the future, we will begin to search for alternative system, and begin efforts to reconcile accounts receivable subsidiary ledgers to the general ledger.

**SECTION II
MANAGEMENT LETTER**

Findings – No Such Findings of this Nature

No Response Necessary

TOWN OF MELVILLE
Summary of Prior Year Findings
September 30, 2024

SECTION I
INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

<p><u>Finding 2023-001 – Accounting Policies and Financial Reporting</u> The Town’s lack of certain policies and procedures, and deficiencies regarding general accounting practices have contributed to a variety of problems, including unavailable documentation, and management’s inability to properly evaluate financial decisions because of a lack of timely and accurate information.</p>	<p><u>Status: Resolved</u> The Town’s centralized accounting system was able to institute policies and procedures that enabled the Town to retain required documentation, and provide financial information to decision makers in a timely fashion to enable them to make financial decisions.</p>
<p><u>Finding 2023-002 – Capital Asset Management –</u> For a portion of the year, the Town did not have any policies or procedures to safeguard Town assets, or a system to monitor additions and deletions of capital assets.</p>	<p><u>Status: Resolved</u> The Town was able to produce a listing of capital assets</p>
<p><u>Finding 2023-003 Payroll Tax Reporting</u> The Town did not pay all required payroll taxes to the Internal Revenue Service and Louisiana Department of Revenue.</p>	<p><u>Status: Unresolved, See Finding 2024-001</u></p>
<p><u>Finding 2023-004 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.</p>	<p><u>Status: Unresolved, See Finding 2024-002</u></p>
<p><u>Finding 2023-005 Uniform Cutoff Policy</u> The Town is not enforcing a uniform cutoff policy for nonpayment of utilities, and has a large number of substantial past due accounts, including some of the Town’s elected officials.</p>	<p><u>Status: Unresolved, See Finding 2024-003</u></p>
<p><u>Finding 2023-006 - Written Minutes</u> The Town was unable to produce minutes of meetings for a substantial portion of the year.</p>	<p><u>Status: Resolved</u> The Town was able to produce minutes for each meeting during the fiscal year.</p>
<p><u>Finding 2023-007 Debt Covenants</u> The Town did not comply with its debt covenants by failing to transfer monies to a separate sinking fund account, and by not filing its audit report in the time frame required by the Louisiana audit law.</p>	<p><u>Status: Unresolved, See Finding 2024-004</u></p>
<p><u>Finding 2023-008 Salaries Set by Ordinance</u> The Town paid salaries to elected officials in the current year, but was unable to produce the ordinance establishing the rate at which elected officials were to be remunerated.</p>	<p><u>Status: Unresolved, See Finding 2024-005</u></p>
<p><u>Finding 2023-009 Collections on Behalf of Other</u> During audit procedures, it was determined that the Town has 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 2024-006</u></p>
<p><u>Finding 2023-010 Late Issuance of Report</u> The Town did not pay all required payroll taxes to the Internal Revenue Service and Louisiana Department of Revenue.</p>	<p><u>Status: Resolved</u> The Town submitted its audit report timely.</p>

TOWN OF MELVILLE
Schedule of Prior Year Findings
September 30, 2024

<p><u>Finding 2023-011 Local Government Budget Act</u> In the current year, unfavorable budget variances were greater than the amount allowed by the Local Government Budget Act.</p> <p><u>Finding 2023-012 Utility Billing Practices</u> In the current year, the Town’s previous administration had several intervals where utility services were not billed consistently, and did not send customer utility bills for an extended period of time at the end of the year.</p>	<p><u>Status: Resolved</u> Variances were within amounts allowed by the Local Government Budget Act.</p> <p><u>Partially Resolved, See Finding 2024-007</u></p>
<p><u>SECTION II</u> MANAGEMENT LETTER</p>	
<p><u>Findings – No Such Findings of this Nature</u></p>	<p><u>No Response Necessary</u></p>

APPENDIX A
Statewide Agreed-Upon Procedures



Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the Town of Melville and
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Town of Melville (the Entity) 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 October 1, 2023 through September 30, 2024. 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
March 28, 2025



Rozier, McKay & Willis
Certified Public Accountants
Voice: 318.442.1608

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Alexandria, Louisiana 71303
Online: CenlaCPAs.com

Town of Melville

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 Entity lacks written policies and procedures in the following categories:</p> <ul style="list-style-type: none"> • Purchasing • Receipts • Contracting • Credit Cards • Ethics • Debt Service • Disaster Recovery / Business Continuity • Sexual Harassment 	<p><i>We will continue to work on our comprehensive written procedure policy, which is in progress.</i></p>

Town of Melville

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>The Entity's board met with a quorum at least monthly.</p> <p>The minutes references or included monthly budget-to-actual comparisons on the general fund, and monthly financial information.</p> <p>None of the minutes demonstrated a formal plan to eliminate the negative unrestricted fund balance in the general fund.</p>	<p><i>The results did not include findings or criticism.</i></p> <p><i>The results did not include findings or criticism.</i></p> <p><i>We will make efforts to reference and include a formal plan to eliminate the negative unrestricted fund balance in the General Fund.</i></p>

Town of Melville

Statewide Agreed-Upon Procedures

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

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund. 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.	The board did not receive written updates concerning the progress of resolving audit finding(s).	<i>We will make efforts to provide the Board with these reports in the future.</i>

Town of Melville

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 written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and</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>Reconciliations were prepared within the required period of time.</p> <p>The bank reconciliations are reviewed by a board member. However, there was no written evidence.</p> <p>The Town voids checks that have been outstanding for more than 90 days.</p>	<p><i>The results did not include findings or criticism.</i></p> <p><i>We will make efforts to ensure the bank reconciliations are reviewed by a board member, and written evidence is provided.</i></p> <p><i>The results did not include findings or criticism.</i></p>

Town of Melville

Statewide Agreed-Upon Procedures

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

Collections (excluding EFTs)		
Agreed-Upon Procedure	Results	Managements' Response
<p>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.</p>	<p>Upon occasion, the employee responsible for collecting cash is responsible for making bank deposits.</p>	<p><i>Due to the limited size of the staff, opportunities for segregation are limited.</i></p>
<p>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.</p>	<p>A third-party CPA is responsible for posting collection entries to the general ledger</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>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.</p>	<p>Upon occasion, the employee reconciling cash collections to the General Ledger will collect cash.</p>	<p><i>Due to the limited size of the staff, opportunities for segregation are limited.</i></p>
<p>6 Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.</p>	<p>The administrative staff is covered by a bond policy that protects against theft</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>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</p>		

Town of Melville

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>Receipts were sequentially prenumbered.</p> <p>Collection documentation agreed to the deposit slip.</p> <p>The deposit slip total agreed to the actual deposit per the bank statement.</p> <p>Deposits were made within one business day of receipt</p> <p>The actual deposit per the bank statement agreed to the general ledger.</p>	<p><i>The results did not include findings or criticisms.</i></p>

Town of Melville

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).	Management provided a listing of locations and represented its completeness.	<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.	Purchases require involvement from multiple parties.	<i>The results did not include findings or criticisms.</i>
b) At least two employees are involved in processing and approving payments to vendors.	Processing and approval involve multiple parties.	<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.	A third-party CPA is responsible for adding 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	Upon occasion, the employee who mails the check is responsible for processing payments.	<i>Due to the limited size of the staff, opportunities for segregation are limited.</i>

Town of Melville

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 electronic payments were made from the main</p>	<p>Disbursements are supported by invoices.</p> <p>Disbursement documentation included evidence of segregation of duties.</p> <p>Electronic disbursements were not approved by the required number of authorized signers.</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 work to ensure that all the electronic disbursements are approved by the required number of authorized signers.</i></p>

Town of Melville

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
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 Melville

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>Management provided a listing of all active credit cards and represented that the listing was complete.</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>Evidence approval was provided.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>b. Observe that finance charges and late fees were not assessed on the selected statements.</p>	<p>No finance charges or late fees were assessed.</p>	<p><i>The results did not include findings or criticisms.</i></p>

Town of Melville

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).	Each of the selected statements were missing some itemized receipts. Of the available documentation, none of the selected statements had charges for meals.	<i>We will work to ensure that all credit card transactions are supported by an itemized receipt and business purpose in the future.</i>

Town of Melville

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</p>	<p>Each reimbursement was either a reimbursement of actual costs or was a reimbursement utilizing rates established by the GSA.</p> <p>All transactions had the proper supporting documentation.</p> <p>All transactions had the proper supporting documentation.</p> <p>Three of the selected transactions lacked evidence of review and approval by someone other than the individual receiving</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> <p><i>We will work to ensure that all transactions have the proper documentation in the future.</i></p>

Town of Melville

Statewide Agreed-Upon Procedures

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

Travel and Expense Reimbursement		
Agreed-Upon Procedure	Results	Managements' Response
someone other than the person receiving reimbursement.	reimbursement.	

Town of Melville

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>None of the selected contracts were available for inspection.</p> <p>None of the selected contracts were available for inspection.</p> <p>None of the selected contracts were available for inspection.</p> <p>None of the selected contracts were available for inspection.</p>	<p><i>We will work to ensure that we have all the necessary documentation in the future.</i></p> <p><i>We will work to ensure that we have all the necessary documentation in the future.</i></p> <p><i>We will work to ensure that we have all the necessary documentation in the future.</i></p> <p><i>We will work to ensure that we have all the necessary documentation in the future.</i></p>

Town of Melville

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 Entity provided a listing of employees, related salaries, and personnel files, and provided representations as to their completeness.</p>	<p><i>The results did not include findings or criticisms.</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>c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.</p>	<p>All selected employees documented their daily attendance and leave.</p> <p>Supervisor's approval of attendance and leave was documented.</p> <p>The Entity's cumulative pay records reflected the leave accrued or taken by the selected employees.</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>
<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</p>	<p>Management provided the listing and represented that it was complete. The selected employees who received termination payments were paid only for their accumulated leave, at their approved rates of pay.</p>	<p><i>The results did not include findings or criticisms.</i></p>

Town of Melville

Statewide Agreed-Upon Procedures

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

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
20 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. 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.	Not all payroll taxes were paid by required deadlines. This matter was reported as a finding in the current year audit report.	<i>We will work to ensure that all payroll taxes are paid by required deadlines in the future.</i>

Town of Melville

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>22 Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.</p>	<p>Documentation demonstrating each employee completed one hour of ethics training was available for only one employee.</p> <p>Documentation demonstrating each employee has read the entity's ethics policy was available for only one employee.</p> <p>The City has not appointed an ethics designee</p>	<p><i>We will work to ensure all employees complete one hour of ethics training during the fiscal year.</i></p> <p><i>We will work to ensure all employees read the entity's ethics policy during the fiscal period.</i></p> <p><i>We will work to ensure we appoint an ethics designee in the future.</i></p>

Town of Melville

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.	The town did not issue any new bonds 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>We will work to ensure we are in compliance with our debt covenants.</i>

Town of Melville

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>The results did not include findings or criticisms.</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.	There was no evidence of the notice on the website.	<i>We will work to ensure that we post the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds in the future.</i>

Town of Melville

Statewide Agreed-Upon Procedures

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

Information Technology Disaster Recovery /Business Continuity		
Agreed-Upon Procedure	Results	Managements' Response
27 Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."	We performed the procedure and discussed the results with management	<i>The results did not include findings or criticisms.</i>
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.	We performed the procedure and discussed the results with management	<i>The results did not include findings or criticisms.</i>
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.	We performed the procedure and discussed the results with management	<i>The results did not include findings or criticisms.</i>
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.	We performed the procedure and discussed the results with management	<i>The results did not include findings or criticisms.</i>
28 Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in	We performed the procedure and discussed the results with management	<i>The results did not include findings or criticisms.</i>

Town of Melville

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>procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.</p> <p>29 Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267¹. The requirements are as follows:</p> <ol style="list-style-type: none">1. Hired before June 9, 2020 - completed the training; and2. Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.	<p>Employees selected did not present evidence of completing cybersecurity training in the current year.</p>	<p><i>We will work to ensure that all employees complete the cybersecurity training in the future.</i></p>

¹ While it appears to be a good practice for charter schools to ensure its employees are trained to keep their information technology assets safe from cyberattack, charter schools do not appear required to comply with 42:1267. An individual charter school, though, through specific provisions of its charter, may mandate that all employees/officials receive cybersecurity training.

Town of Melville

Statewide Agreed-Upon Procedures

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

Sexual Harassment		
Agreed-Upon Procedure	Results	Managements' Response
<p>30 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>Documentation demonstrating each employee completed at least one hour of sexual harassment training was not available.</p>	<p><i>We will work to ensure that all employees complete the sexual harassment training in the future.</i></p>
<p>31 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>No evidence was available.</p>	<p><i>We will work to ensure that we post our sexual harassment policy on our website in the future.</i></p>
<p>32 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 Entity did not have any annual report available for inspection.</p>	<p><i>We will work to ensure we have an annual sexual harassment report in the future.</i></p>