

**TOWN OF MELVILLE**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**



# TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT .....	1-3
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENTAL AUDITING STANDARDS</i> .....	4-5
REQUIRED SUPPLEMENTAL INFORMATION (PART I) Management's Discussion and Analysis .....	6-9
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of Net Position .....	10
Statement of Activities .....	11
FUND FINANCIAL STATEMENTS	
Governmental Funds	
Balance Sheet .....	12
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Position of Governmental Activities on the Statement of Net Position .....	13
Statement of Revenues, Expenditures, and Changes in Fund Balance .....	14-15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities .....	16
Proprietary Funds	
Statement of Net Position .....	17
Statement of Revenues, Expenditures, and Changes in Fund Net Position .....	18
Statement of Cash Flows .....	19-20
NOTES TO THE FINANCIAL STATEMENTS .....	21-30
REQUIRED SUPPLEMENTAL INFORMATION (PART II)	
General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balances (Budget and Actual) .....	31
Sales Tax Fund - Statement of Revenues, Expenditures, and Changes in Fund Balances (Budget and Actual) .....	32
OTHER SUPPLEMENTAL INFORMATION	
Schedule of Compensation Paid to Board Members .....	33
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer .....	34
Justice System Funding Schedule – Collecting/Disbursing Entity .....	35
Schedule of Findings .....	36 - 41
Management's Corrective Action Plan .....	42 - 43
Summary of Prior Year Findings .....	44 - 45
Statewide Agreed Upon Procedures .....	App. A



June 28, 2024

Independent Auditors' Report

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

**REPORT ON THE FINANCIAL STATEMENTS**

**Disclaimer of Opinion**

We were engaged to audit the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Melville, as of and for the year September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

We do not express an opinion on the accompanying financial statements, of the governmental activities, the business-type activities, and each major fund of the Town of Melville, because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

**Basis for Disclaimer of Opinion**

During a portion of the year we were engaged to audit, the Town's previous administration made little effort to document expenditures or record financial transactions. Due to the uncertainties resulting from these matters, management was not able to provide written representations required by generally accepted auditing standards.

**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.



**Rozier, McKay & Willis**  
**Certified Public Accountants**  
**Voice: 318.442.1608**

**160 Brown's Bend Road**  
**Alexandria, Louisiana 71303**  
**Online: [CenlaCPAs.com](http://CenlaCPAs.com)**

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our responsibility is to conduct an audit of the Town of Melville's financial statements in accordance with generally accepted auditing standards and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

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 engagement to 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**

We were engaged to conduct an audit 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 additional 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. Because of the significance of the matters documented in the Basis for Disclaimer of Opinion section of this report, we do not express an opinion on the additional information 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 June 28, 2024, 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



June 28, 2024

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 were engaged to audit, 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, and each major fund, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Melville's basic financial statements, and have issued our report thereon dated June 28, 2024. Our report disclaims an opinion on such financial statements because management was not able to provide written representations required by generally accepted auditing standards

**Internal Control over Financial Reporting**

In connection with our engagement to audit the financial statements of the Town of Melville, we considered the Town of Melville's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Melville's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Melville'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. Given these limitations, during our engagement to audit we did not identify any deficiencies that we consider to be a material weakness in internal control. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be 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



Rozier, McKay & Willis  
Certified Public Accountants  
Voice: 318.442.1608

160 Brown's Bend Road  
Alexandria, Louisiana 71303  
Online: CenlaCPAs.com

corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described as 2023-001 to be a material weakness.

### **Compliance and Other Matters**

In connection with our engagement to audit the financial statements of the Town of Melville, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our engagement to audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings as items 2023-002, 2023-003, 2023-004, 2023-005, 2023-006, 2023-007, 2023-008, 2023-009, 2023-010, and 2023-011.

### **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, 2023**

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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, 2023.

### **Overview of Financial Statements**

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

#### **Government –Wide Financial Statements**

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

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

- **Governmental Activities** – Expenses incurred in connection with providing basic services including police protection, fire protection, culture, recreation, public works, and general administration are reported as governmental activities. The governmental activities are financed by taxes, license fees, fines, court cost, interest, grants, and contributions.
- **Business-Type Activities** – Expenses associated with providing 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, 2023**

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### **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:

	<b>September 30, 2023</b>			<b>For the</b>
	<b>Govern- mental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>	<b>Year Ended Sept. 30, 2022</b>
<b><u>Assets:</u></b>				
Current and Other Assets	\$ 124,212	\$ 90,576	\$ 214,788	\$ 203,889
Capital Assets	331,632	2,280,195	2,611,827	2,795,522
Total Assets	<u>455,844</u>	<u>2,370,771</u>	<u>2,826,615</u>	<u>2,999,411</u>
<b><u>Liabilities:</u></b>				
Current and Other Liabilities	135,244	63,283	198,527	383,879
Long-Term Liabilities	92,724	1,021,341	1,114,065	1,220,810
Total Liabilities	<u>227,968</u>	<u>1,084,624</u>	<u>1,312,592</u>	<u>1,604,689</u>
<b><u>Net Position:</u></b>				
Invested in Capital Assets (Net)	238,908	1,258,854	1,497,762	1,574,712
Unrestricted	(11,032)	27,293	16,261	(179,990)
Total Net Position	<u>\$ 227,876</u>	<u>\$ 1,286,147</u>	<u>1,514,023</u>	<u>1,394,722</u>

As the presentation appearing above demonstrates, the majority of the Town's net position is invested in capital assets (98.93%). 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. A portion of the Town's resources are unrestricted, and available to be utilized by the Town to meet its ongoing obligations to creditors and other interested parties for the foreseeable future (1.07%).

### **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, 2023**

	September 30, 2023			For the Year Ended Sept. 30, 2022
	Governmental Activities	Business-Type Activities	Total	
<b>Revenues:</b>				
Program Revenue:				
Charges for Services	\$ 65,437	\$ 485,861	\$ 551,298	\$ 337,789
Operating Grants and Contributions	204,235	----	204,235	213,022
Capital Grants and Contributions	----	----	----	----
General Revenue:				
Property Taxes	19,159	----	19,159	11,894
Sales Taxes	151,251	----	151,251	184,075
Franchise Taxes	104,451	----	104,451	82,165
Occupational Licenses	29,039	----	29,039	558
Miscellaneous	4,883	45	4,928	63,307
Total Revenue	<u>578,455</u>	<u>485,906</u>	<u>1,064,361</u>	<u>952,555</u>
<b>Program Expenses:</b>				
General Government	483,821	----	483,821	723,534
Public Safety	25,813	----	25,813	58,584
Streets and Drainage	7,679	----	7,679	6,743
Culture and Recreation	----	----	----	1,338
Utility	----	405,330	405,330	392,557
Total Expenses	<u>517,313</u>	<u>405,330</u>	<u>922,643</u>	<u>1,182,756</u>
Increase in Net Position Before Transfers				
Transfers	61,142	80,576	141,718	170,456
Transfers	97,833	(97,833)	----	59,745
Change in Net Position	<u>158,975</u>	<u>(17,257)</u>	<u>141,718</u>	<u>230,201</u>
Net Position Beginning	<u>103,283</u>	<u>1,291,439</u>	<u>1,394,722</u>	<u>1,624,923</u>
Prior Period Adjustment	(34,382)	11,965	(22,417)	----
Net Position Beg., Restated	68,901	1,303,404	1,372,305	1,624,923
<b>Net Position Ending</b>	<u>\$ 227,876</u>	<u>\$ 1,286,147</u>	<u>\$ 1,514,023</u>	<u>\$ 1,394,722</u>

Governmental activities increased the Town's net position by \$158,975. This increase is attributable to prudent management of the Town's resources.

Business-type activities decreased the Town's net position by \$17,257. This increase is primarily attributable to the depreciation of existing capital assets.

# **TOWN OF MELVILLE**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**September 30, 2023**

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### **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 \$ (11,032) which represents a increase of \$126,741 in comparison to the previous balance. This increase is primarily attributable to prudent management.
- 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. In the current year, unfavorable balances exceeded the variances allowed by the Local Government Budget Act. A summary of each budget compared to actual amounts is presented as follows:

	<u>General Fund</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Total Revenues / Other Sources	\$ 709,712	\$ 509,896	\$ 625,237	\$ 115,341
Total Expenditures / Other Uses	516,733	449,869	549,547	(99,678)
Net Change in Fund Balances	\$ 192,979	\$ 60,027	\$ 75,690	\$ 15,663

  

	<u>Sales Tax</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Total Revenues / Other Sources	\$ 161,538	\$ 120,024	\$ 151,272	\$ 31,248
Total Expenditures / Other Uses	161,514	120,000	100,221	19,779
Net Change in Fund Balances	\$ 24	\$ 24	\$ 51,051	\$ 51,027

### **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**

There are no factors expected to have a significant impact on future operations at the present time.

# **Town of Melville**

## **STATEMENT OF NET POSITION**

**September 30, 2023**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 95,058	\$ 49,359	\$ 144,417
Receivables (net)	29,154	31,803	60,957
Other	-	-	-
Restricted Assets - Cash and Cash Equivalents	-	9,414	9,414
Due from Other Funds	-	-	-
Capital Assets:			
Non depreciable capital assets	92,159	-	92,159
Depreciable, net	<u>239,473</u>	<u>2,280,195</u>	<u>2,519,668</u>
<b>Total assets</b>	<u>455,844</u>	<u>2,370,771</u>	<u>2,826,615</u>
<b><u>LIABILITIES</u></b>			
Accounts Payable and Accrued Expenses	135,244	37,741	172,985
Deposits due others	-	25,542	25,542
Long-term liabilities			
Long -Term Debt			
Due within one year	32,547	19,942	52,489
Due in more than one year	<u>60,177</u>	<u>1,001,399</u>	<u>1,061,576</u>
<b>Total liabilities</b>	<u>227,968</u>	<u>1,084,624</u>	<u>1,312,592</u>
<b><u>NET POSITION</u></b>			
Invested in capital assets, net of related debt	238,908	1,258,854	1,497,762
Restricted for Capital Projects	-	-	-
Unrestricted	<u>(11,032)</u>	<u>27,293</u>	<u>16,261</u>
<b>Total net position (deficit)</b>	<u>\$ 227,876</u>	<u>\$ 1,286,147</u>	<u>\$ 1,514,023</u>

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

# **Town of Melville**

## **STATEMENT OF ACTIVITIES**

**YEAR ENDED SEPTEMBER 30, 2023**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business- Type Activities	Total
<b><u>Governmental Activities:</u></b>							
General Government	\$ 483,821	\$ 18,169	\$ 190,599	\$ -	\$ (275,053)	\$ -	\$ (275,053)
Public Safety	22,736	47,268	13,636	-	38,168	-	38,168
Streets, Drainage, & Recreation	7,679	-	-	-	(7,679)	-	(7,679)
Interest on Long-Term Debt	3,077	-	-	-	(3,077)	-	(3,077)
Total Governmental Activities	<u>517,313</u>	<u>65,437</u>	<u>204,235</u>	<u>-</u>	<u>(247,641)</u>	<u>-</u>	<u>(247,641)</u>
<b><u>Business-Type Activities:</u></b>							
Utility System	405,330	485,861	-	-	-	80,531	80,531
Total Business-Type Activities	<u>405,330</u>	<u>485,861</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,531</u>	<u>80,531</u>
Total Primary Government	<u>\$ 922,643</u>	<u>\$ 551,298</u>	<u>\$ 204,235</u>	<u>\$ -</u>	<u>(247,641)</u>	<u>80,531</u>	<u>(167,110)</u>
<b><u>General Revenues:</u></b>							
Taxes:							
Ad Valorem					19,159	-	19,159
Sales Taxes					151,251	-	151,251
Franchise					104,451	-	104,451
Occupational Licenses					29,039	-	29,039
Payment in lieu of taxes					-	-	-
Other					4,883	45	4,928
Transfers					97,833	(97,833)	-
Total General Revenues and Transfers					<u>406,616</u>	<u>(97,788)</u>	<u>308,828</u>
Change in Net Assets					<u>158,975</u>	<u>(17,257)</u>	<u>141,718</u>
Net Position Beginning					103,283	1,291,439	1,394,722
Prior Period Adjustment					(34,382)	11,965	(22,417)
Net Position Beginning - As Restated					<u>68,901</u>	<u>1,303,404</u>	<u>1,372,305</u>
Net Position Ending					<u>\$ 227,876</u>	<u>\$ 1,286,147</u>	<u>\$ 1,514,023</u>

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

# **Town of Melville**

## **Balance Sheet**

**Governmental Funds - September 30, 2023**

	<u>General</u>	<u>Sales Tax</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 36,808	\$ 58,250	\$ 95,058
Receivables (Net)	15,730	13,424	29,154
Interfund Due To/From	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Assets</b>	<b><u>\$ 52,538</u></b>	<b><u>\$ 71,674</u></b>	<b><u>\$ 124,212</u></b>
<b><u>Liabilities and Fund Balance</u></b>			
<b><u>Liabilities</u></b>			
Accounts and Other Payables	\$ 135,244	\$ -	\$ 135,244
Accrued Expenses	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<b><u>135,244</u></b>	<b><u>-</u></b>	<b><u>135,244</u></b>
<b><u>Fund Balance</u></b>			
Unassigned	<u>(82,706)</u>	<u>71,674</u>	<u>(11,032)</u>
<b>Total Fund Balance</b>	<b><u>(82,706)</u></b>	<b><u>71,674</u></b>	<b><u>(11,032)</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 52,538</u></b>	<b><u>\$ 71,674</u></b>	<b><u>\$ 124,212</u></b>

*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, 2023**

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Total Fund Balances - Governmental Funds	\$	(11,032)
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.		331,632
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>(92,724)</u>
Net Position of Governmental Activities	\$	<u>227,876</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, 2023**

	General Fund	Sales Tax	Total Governmental Funds
<b><u>Revenues:</u></b>			
Taxes:			
Ad Valorem	\$ 19,159	\$ -	\$ 19,159
Sales Tax	-	151,251	151,251
Licenses and Permits:			
Occupational Licenses	29,039	-	29,039
Franchise	104,451	-	104,451
Other permits	-	-	-
Fines and Fees	10,764	-	10,764
Intergovernmental:			
Other Intergovernmental	190,599	-	190,599
Other	73,171	21	73,192
<b>Total Revenues</b>	<b>427,183</b>	<b>151,272</b>	<b>578,455</b>
<b><u>Expenditures:</u></b>			
Current:			
General Government	501,982	-	501,982
Public Safety	2,110	-	2,110
Streets and Drainage	1,214	-	1,214
Debt Service	44,241	-	44,241
Capital Outlays	-	-	-
<b>Total Expenditures</b>	<b>549,547</b>	<b>-</b>	<b>549,547</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(122,364)</b>	<b>151,272</b>	<b>28,908</b>

**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, 2023**

	General	Sales Tax	Total Governmental Funds
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(122,364)</u>	<u>151,272</u>	<u>28,908</u>
<b><u>Other Financing Sources (Uses):</u></b>			
Operating Transfers In	198,054	-	198,054
Operating Transfers Out	<u>-</u>	<u>(100,221)</u>	<u>(100,221)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>198,054</u>	<u>(100,221)</u>	<u>97,833</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses</b>	<u>75,690</u>	<u>51,051</u>	<u>126,741</u>
<b>Fund Balance - Beginning, Originally Reported</b>	(130,193)	26,802	(103,391)
<b>Prior Period Adjustment</b>	<u>(28,203)</u>	<u>(6,179)</u>	<u>(34,382)</u>
<b>Fund Balance - Beginning, As Restated</b>	<u>(158,396)</u>	<u>20,623</u>	<u>(137,773)</u>
<b>Fund Balance - End of Year</b>	<u>\$ (82,706)</u>	<u>\$ 71,674</u>	<u>\$ (11,032)</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, 2023***

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Net change in fund balances of Governmental Funds \$ 126,741

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>(47,177)</u>	(47,177)

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>79,411</u>
---	--	---------------

Change in net position of governmental activities		<u>\$ 158,975</u>
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*The accompanying notes are an integral part of the financial statements.*

# **Town of Melville**

## **Statement of Net Position**

### **Proprietary Funds - Year Ended September 30, 2023**

	<u>Business-Type Activities</u>
	<u>Utility System</u>
<b><u>Assets</u></b>	
Current Assets:	
Cash and Cash Equivalents	\$ 49,359
Receivables (Net)	31,803
Total Current Assets	<u>81,162</u>
Restricted Assets:	
Cash and Cash Equivalents	9,414
Noncurrent Assets:	
Non-Depreciable Capital Assets	
Land	-
Depreciable Capital Assets, Net	2,280,195
Total Noncurrent Assets	<u>2,280,195</u>
<b>Total Assets</b>	<u>2,370,771</u>
<b><u>Liabilities:</u></b>	
Current Liabilities:	
Accounts and Other Payables	37,741
Deposits Due Others	25,542
Compensated Absences	-
Total Current Liabilities	<u>63,283</u>
Liabilities Payable from Restricted Assets	
Current Portion of Long-Term Debt	19,942
Noncurrent Liabilities	
Long-Term Debt	1,001,399
Total Noncurrent Liabilities	<u>1,021,341</u>
<b>Total Liabilities</b>	<u>1,084,624</u>
<b><u>Net Position:</u></b>	
Invested in Capital Assets, Net of Related Debt	1,258,854
Unrestricted	27,293
<b>Total Net Position</b>	<u>\$ 1,286,147</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, 2023**

	<u>Business-Type Activities</u>
	<u>Utility System</u>
<b><u>Operating Revenues:</u></b>	
Charges for Services:	
Gas Sales	\$ 145,492
Water Sales	183,614
Sewer Charges	121,648
Miscellaneous	35,107
<b>Total Operating Revenues</b>	<u>485,861</u>
<b><u>Operating Expenses:</u></b>	
Natural Gas Purchases	39,055
Materials, Supplies, and Maintenance	35,580
Office and Postage	93,596
Vehicle and Travel	18,810
Insurance	2,588
Legal and Professional	7,521
Miscellaneous	53,563
Utilities and Telephone	209
Depreciation	148,480
<b>Total Operating Expenses</b>	<u>399,402</u>
<b>Operating Income (Loss)</b>	86,459
<b><u>Non-Operating Revenues (Expenses):</u></b>	
Interest Income	45
Interest Expense	<u>(5,928)</u>
<b>Change in Net Assets Before     Contributions and Transfers</b>	80,576
<b><u>Contributions and Transfers:</u></b>	
Operating Transfers In	-
Operating Transfers Out	<u>(97,833)</u>
<b>Change in Net Position</b>	<u>(17,257)</u>
<b>Net Position Beginning, Originally Reported</b>	1,291,439
<b>Prior Period Adjustment</b>	<u>11,965</u>
<b>Net Position Beginning, As Restated</b>	<u>1,303,404</u>
<b>Total Net Position - Ending</b>	<u>\$ 1,286,147</u>

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

# **Town of Melville**

## **Statement of Cash Flows**

### **Proprietary Funds - Year Ended September 30, 2023**

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	<u>Business-Type Activities</u>
	Utility System
	<hr/>
<b><u>Cash Flow from Operating Activities:</u></b>	
Cash Received from Customers	\$ 513,129
Cash Payments to Suppliers of Goods and Services	(213,343)
Cash Payments to Employees for Service	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<hr/> 299,786 <hr/>
<b><u>Cash Flows from Non-Capital Financing Activities</u></b>	
Interfund Activity, Net	(171,808)
Operating Transfers, Net	(97,833)
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<hr/> (269,641) <hr/>
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>	
Interest Paid on Debt	(5,928)
Principle Paid on Debt	(27,334)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<hr/> (33,262) <hr/>
<b><u>Cash Flows from Investing Activities:</u></b>	
Interest and Other Income	51
<b>Net Cash Provided (Used) by Investing Activities</b>	<hr/> 51 <hr/>
<b>Net Increase (Decrease) in Cash</b>	(3,066)
<b>Beginning Cash Balance</b>	<hr/> 61,839
<b>Ending Cash Balance</b>	58,773
<b>Cash - Restricted</b>	<hr/> (9,414)
<b>Cash - Unrestricted</b>	<hr/> \$ 49,359 <hr/> <hr/>

*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, 2023**

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	<u>Business-Type Activities</u>
	Utility
	<u>System</u>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash</u></b>	
Operating Income (Loss)	\$ 86,459
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities:	
Depreciation	148,480
(Increase) Decrease in Accounts Receivable	27,063
(Increase) Decrease in Prepaid Expenses	3,072
(Decrease) Increase in Accounts Payable	34,507
(Decrease) Increase in Meter Deposits	<u>205</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	 \$ <u><u>299,786</u></u>

#### **Supplemental disclosures of cash flow information:**

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

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

**TOWN OF MELVILLE**  
***Notes to Financial Statements***  
***September 30, 2023***

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**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, 2023.

**Basic Financial Statements**

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

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

**TOWN OF MELVILLE**  
**Notes to Financial Statements**  
**September 30, 2023**

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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 a 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, 2023***

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<b><u>Financial Statement Presentation</u></b>	<b><u>Basis of Accounting</u></b>	<b><u>Measurement Focus</u></b>
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, 2023***

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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 June 30, 2023, cash and cash equivalents totaled \$153,831 (book balance) and \$155,461 (bank balance). Of this balance, \$9,414 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, 2023**

At September 30, 2023, the Town's bank deposits are secured from risk by \$250,000 of federal deposit insurance.

**NOTE 3 - RECEIVABLES**

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>Accounts Receivable</u></b>			
Charges for Services	\$ ----	\$ 221,782	\$ 221,782
Franchise Taxes	8,823	----	8,823
Occupational License	----	----	----
Other	6,907	----	6,907
Total Accounts Receivables	<u>15,730</u>	<u>221,782</u>	<u>237,512</u>
<b><u>Due From Other Governmental Units</u></b>			
Sales Taxes	13,424	----	13,424
Other	----	----	----
Total Due From Other Governmental Units	<u>13,424</u>	<u>----</u>	<u>13,424</u>
Total Receivables	29,154	221,782	250,936
Allowance for Doubtful Accounts	----	<u>(189,979)</u>	<u>(189,979)</u>
Net Receivables	<u>\$ 29,154</u>	<u>\$ 31,803</u>	<u>\$ 60,957</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>	
<b><u>Long-Term Liabilities</u></b>				
Revenue Bonds	\$ 57,000	\$ 1,021,341	\$ 1,078,341	
Installment Purchases	35,724	----	35,724	
Total Long-term Debt	<u>92,724</u>	<u>1,021,341</u>	<u>1,114,065</u>	
Due Within One Year	<u>32,547</u>	<u>19,942</u>	<u>52,489</u>	
Due in More Than One Year	<u>\$ 60,177</u>	<u>\$ 1,001,399</u>	<u>\$ 1,061,576</u>	
	<b><u>Beginning Balance</u></b>	<b><u>Additions</u></b>	<b><u>Reductions</u></b>	<b><u>Ending Balance</u></b>
<b><u>Governmental Activities</u></b>				
Revenue Bonds	\$ 74,000	\$ ----	\$ 17,000	\$ 57,000
Installment Purchases	98,135	----	62,411	35,724

**TOWN OF MELVILLE**  
**Notes to Financial Statements**  
**September 30, 2023**

Total Governmental Activities	\$ 172,135	\$ ----	\$ 79,411	\$ 92,724
<b><u>Business-Type Activities</u></b>				
Revenue Bonds	1,048,675	10,076	37,410	1,021,341
Total Business-Type Activities	1,048,675	10,076	37,410	1,021,341
Total Long-Term Liabilities	\$ 1,220,810	\$ 10,076	\$ 116,821	1,114,065

**Installment Purchase Agreements**

The Town has executed installment purchase agreements to finance the acquisition of firefighting equipment. Terms are described as follows:

Loan Payable to KS State Bank, dated March 15, 2015, original amount of \$198,170 due in annual installments through March 15, 2025; bearing interest of 4.572%, secured by a 2012 HME International Commercial Pumper Fire Truck

\$ 35,724

**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.

\$ 57,000

\$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.

\$ 1,021,341

Total Installment Agreements

\$ 1,078,341

**TOWN OF MELVILLE**  
**Notes to Financial Statements**  
**September 30, 2023**

**Maturity of Long-term Debt**

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

<u>Year Ended Sept. 30<sup>th</sup></u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal Installments</u>	<u>Interest</u>	<u>Principal Installments</u>	<u>Interest</u>
2024	\$ 32,547	\$ 3,077	\$ 19,942	\$ 43,022
2025	21,178	1,718	20,807	42,157
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 – 2033	10,000	300	134,433	180,387
2034 – 2038	----	----	166,199	148,621
2039 – 2043	----	----	205,473	109,347
2044 – 2048	----	----	254,026	60,794
2049 – 2053	----	----	152,473	8,796
<u>Total Governmental</u>	<u>\$ 92,724</u>	<u>\$ 7,766</u>	<u>\$ 1,021,341</u>	<u>\$ 714,028</u>

**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.

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, 2023, the Town levied 6.30 mills of ad valorem taxes totaling \$19,159 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:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<b><u>Governmental Activities</u></b>				
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

**TOWN OF MELVILLE**  
**Notes to Financial Statements**  
**September 30, 2023**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Equipment	817,932	----	----	817,932
Accumulated Depreciation	(1,353,712)	(45,367)	----	(1,399,079)
Total	<u>284,840</u>	<u>(45,367)</u>	<u>----</u>	<u>239,473</u>
 Total Governmental Activities	 <u>\$ 376,999</u>	 <u>\$ (45,367)</u>	 <u>\$ ----</u>	 <u>\$ 331,632</u>
 <b><u>Business-Type Activities</u></b>				
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	(5,060,552)	(148,480)	----	(5,209,032)
Total	<u>2,428,676</u>	<u>(148,480)</u>	<u>----</u>	<u>2,280,196</u>
 Total Business-Type Activities	 <u>\$ 2,428,676</u>	 <u>\$ (148,480)</u>	 <u>\$ ----</u>	 <u>\$ 2,280,196</u>

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

**Governmental Activities**

General Government	\$ 18,275
Public Safety	20,626
Streets and Drainage	6,466
Total Depreciation – Governmental Activities	<u>\$ 45,367</u>

**Business-Type Activities**

Utility System	\$ 148,480
Total Depreciation – Business-Type Activities	<u>\$ 148,480</u>

**NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

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

**TOWN OF MELVILLE**  
**Notes to Financial Statements**  
**September 30, 2023**

	<u>Payable to Vendors</u>	<u>Payroll Liabilities</u>	<u>Total</u>
<b><u>Governmental Activities</u></b>			
General Fund	\$ 44,573	\$ 90,671	\$ 135,244
Non-Major Fund	----	----	----
Total Governmental	<u>\$ 44,573</u>	<u>\$ 90,671</u>	<u>\$ 135,244</u>
<b><u>Business-Type Activities</u></b>			
Utility System	37,741	----	37,741
Sanitation System	----	----	----
Total Business-Type	<u>37,741</u>	<u>----</u>	<u>37,741</u>
Total Accounts Payable And Payroll Liabilities	<u>\$ 82,314</u>	<u>\$ 90,671</u>	<u>\$ 172,985</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.

**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>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
<b><u>Governmental Activities</u></b>			
General Fund	\$ 198,054	\$ (100,221)	\$ (97,833)
Sales Tax	----	----	----
Total Transfers	<u>\$ 198,054</u>	<u>\$ (100,221)</u>	<u>\$ (97,833)</u>
<b><u>Business-Type Activities</u></b>			
Utility System	----	(97,833)	97,883
Total Transfers	<u>----</u>	<u>(97,833)</u>	<u>97,883</u>
Net Transfers	<u>\$ 198,054</u>	<u>\$ (198,054)</u>	<u>\$ ----</u>

**TOWN OF MELVILLE**  
**Notes to Financial Statements**  
**September 30, 2023**

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**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, 2023 are described as follows:

Litigation

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

Grant Compliance

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

**NOTE 12 – PRIOR PERIOD ADJUSTMENT**

Prior Period Adjustments were necessary to correct several issues. Governmental Activities included some receivables that should not have been subject to accrual in the previous year. Business-Type Activities included depreciation in excess of what should have been charged, causing an overstatement of expenditures in the previous year.

The errors described above affected net position and fund balances as presented below:

	<u>Net Position</u>		<u>Fund Balance</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>General Fund</u>
Receivables	\$ (34,382)	\$ ----	\$ (34,382)
Excess Deprec.	----	11,965	----
Net Effect	<u>\$ (34,382)</u>	<u>\$ 11,965</u>	<u>\$ (34,382)</u>



# **Town of Melville**

## **General Fund**

### **Statement of Revenues, Expenditures, and Changes in Fund Balances**

#### **Budget and Actual**

**Year Ended September 30, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Taxes				
Ad Valorem	\$ 16,436	\$ 16,436	\$ 19,159	\$ 2,723
Sales Taxes	-	-	-	-
License and Permits				
Occupational Licenses	22,708	22,708	29,039	6,331
Franchise Fees	105,558	105,558	104,451	(1,107)
Fines and Fees	1,000	1,000	10,764	9,764
Rent	18,792	18,792	-	(18,792)
Intergovernmental				
Beer Taxes	1,200	1,200	-	(1,200)
Payment in Lieu of Taxes	-	-	-	-
Other Intergovernmental	191,680	191,680	190,599	(1,081)
Other	40,824	40,824	73,171	32,347
Interest	-	-	-	-
<b>Total Revenues</b>	<b>398,198</b>	<b>398,198</b>	<b>427,183</b>	<b>28,985</b>
<b>Expenses:</b>				
General Government	216,361	216,361	501,982	(285,621)
Public Safety	198,554	154,089	2,110	151,979
Streets and Drainage	101,818	101,818	1,214	100,604
Recreation	-	-	-	-
Debt Service	-	-	44,241	(44,241)
Capital Outlay	-	-	-	-
<b>Total Expenses</b>	<b>516,733</b>	<b>472,268</b>	<b>549,547</b>	<b>(77,279)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(118,535)</b>	<b>(74,070)</b>	<b>(122,364)</b>	<b>(48,294)</b>
<b>Other Financing Sources (Uses):</b>				
Operating Transfers In	311,514	311,514	198,054	(113,460)
Operating Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>311,514</b>	<b>311,514</b>	<b>198,054</b>	<b>(113,460)</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses</b>	<b>192,979</b>	<b>237,444</b>	<b>75,690</b>	<b>(161,754)</b>
<b>Fund Balance - Beginning of Year, As Restated</b>	<b>(158,396)</b>	<b>(158,396)</b>	<b>(158,396)</b>	<b>-</b>
<b>Fund Balance - End of Year</b>	<b>\$ 34,583</b>	<b>\$ 79,048</b>	<b>\$ (82,706)</b>	<b>\$ (161,754)</b>

# **Town of Melville**

## **Sales Tax Fund**

### **Statement of Revenues, Expenditures, and Changes in Fund Balances**

#### **Budget and Actual**

**Year Ended September 30, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Taxes				
Sales Taxes	161,538	161,538	151,251	(10,287)
Other	-	-	21	21
Interest	-	-	-	-
<b>Total Revenues</b>	<b>161,538</b>	<b>161,538</b>	<b>151,272</b>	<b>(10,266)</b>
<b><u>Expenses:</u></b>				
General Government	-	-	-	-
Streets and Drainage	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>161,538</b>	<b>161,538</b>	<b>151,272</b>	<b>(10,266)</b>
<b><u>Other Financing Sources (Uses):</u></b>				
Operating Transfers	(161,514)	(161,514)	(100,221)	61,293
	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(161,514)</b>	<b>(161,514)</b>	<b>(100,221)</b>	<b>61,293</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses</b>	<b>24</b>	<b>24</b>	<b>51,051</b>	<b>51,027</b>
<b>Fund Balance - Beginning of Year, As Restated</b>	<b>20,623</b>	<b>20,623</b>	<b>20,623</b>	<b>-</b>
<b>Fund Balance - End of Year</b>	<b>\$ 20,647</b>	<b>\$ 20,647</b>	<b>\$ 71,674</b>	<b>\$ 51,027</b>

# **TOWN OF MELVILLE**

## ***Schedule of Compensation Paid to Board Members Year Ended September 30, 2023***

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Caretta Robertson	\$	22,500
Velma Hendrix		1,050
April Butler		1,300
Peter Circello		950
Linda Haynes		1,725
Jayme Johnson		350
Natasha Oliney		1,300
Tieuel Theardis		1,250
		<hr/>
Total Compensation	\$	<u><u>30,425</u></u>

# **TOWN OF MELVILLE**

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

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	<b>Agency Head (Mayor)</b>		
<b>Purpose:</b>	<b>Caretta Robertson</b>	<b>Linda Haynes</b>	<b>Velma Hendrix</b>
Compensation	22,500	-	1,050
Auto Allowance	-	400	800
Payroll Taxes	1,721	-	80
Reimbursements	1,640	-	-

# **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, 2023**

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	First Six Month Period Ended March 31, 2023	Second Six Month Period Ended September 30, 2023
<b>Beginning Balance of Amounts Collected</b>	\$ -	\$ -
Add: Collections		
Criminal Criminal/Costs/Fees	3,487	7,277
Subtotal Collections	<u>3,487</u>	<u>7,277</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	<u>3,487</u>	<u>7,277</u>
Subtotal Disbursements / Retainage	<u>3,487</u>	<u>7,277</u>
<b>Ending Balance of Amounts Collected but not Disbursed</b>	<u>\$ -</u>	<u>\$ -</u>

# **TOWN OF MELVILLE**

## ***Schedule of Findings***

***September 30, 2023***

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### **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, 2023, and for the year then ended expressed a disclaimer of opinion.
- The audit disclosed one finding (2023-001) which is considered to be a material weakness in internal control over financial reporting.
- The audit disclosed ten findings (2023-002 through 2023-011) 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 2023-001 –Accounting Policies and Financial Reporting**

- *Criteria:* To foster accountability over financial reporting, the Town's accounting system should contain several elements, including readily available documentation, prompt payments of obligations when funds allow, proper classification of transactions, and the production of timely, relevant financial reports to management.
- *Condition:* In the current year, 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.
- *Cause:* The Town's personnel require additional training, and Town's management must commit to establishing a proper control environment.
- *Effect:* The Town was unable to provide sufficient documentation to substantiate some expenditures, leading auditors to be unable to obtain sufficient appropriate audit evidence to opine on the financial statements.
- *Recommendation:* While we recognize that these issues predated the current administration, we recommend that the Town continue to provide key accounting personnel with adequate training, and continue its efforts to provide a proper control environment.

#### **Finding 2023-002 –Capital Asset Management**

- *Criteria:* Louisiana Revised Statutes 24:515 requires the Town to maintain a comprehensive listing of all capital assets.

# **TOWN OF MELVILLE**

## ***Schedule of Findings***

***September 30, 2023***

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- Condition: 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.
- Cause: There is no oversight placed on documenting and maintaining a comprehensive listing of all capital assets.
- Effect: The Town may have been in violation of Louisiana Revised Statutes regarding the maintenance of a comprehensive listing of all capital assets.
- Recommendation: We recommend that the Town implement policies and procedures for identifying and recording an inventory of all capital assets, and that a physical inventory of all capital assets should be had on at least an annual basis.

### **Finding 2023-003 – 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: As discussed in Finding 2023-001, 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 2023-004 – 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, 2023***

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- *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 2023-005 –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 have been 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 2023-006 –Written Minutes**

- *Criteria:* Louisiana Revised Statute 42:20 requires all public bodies to keep written minutes of all of their open meetings, and provides for the content of such minutes.
- *Condition:* The Town was unable to produce minutes of meetings for a substantial portion of the year.
- *Cause:* The previous Town Clerk did not maintain the minutes in the fashion required by Louisiana Revised Statutes.
- *Effect:* The Town may have been in violation of Louisiana Revised Statutes regarding the maintenance of minutes.
- *Recommendation:* We recommend that written minutes be kept of all open minutes, and maintained in a minute book are required by Louisiana Revised Statutes.

### **Finding 2023-007 –Debt Covenants**

- *Criteria:* The Town is subjected to several debt covenants, in accordance with its debt held by the USDA.



# **TOWN OF MELVILLE**

## ***Schedule of Findings***

***September 30, 2023***

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- Condition: 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.
- 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 2023-008 –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 2023-009 –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, 2023***

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### **Finding 2023-010 –Late Submission of Audit Report**

- Criteria: Louisiana Audit Law requires entities to submit their audit report no later than six months after the end of their fiscal year.
- Condition: In the current year, the Town did not submit its annual financial report to the Legislative Auditor’s Office by the required deadline.
- Cause: Scheduling difficulties by the firm’s independent auditor precluded the annual report from being submitted in a timely fashion.
- Effect: The Town was not in compliance with Louisiana Audit Law.
- Recommendation: We recommend that the Town continue its efforts to strengthen its control environment and its financial reporting process, which will enable auditors to complete audits in a timely fashion in subsequent periods.

### **Finding 2023-011 –Local Government Budget Act**

- Criteria: The Local Government Budget Act prohibits unfavorable budget variances from exceeding 5%.
- Condition: In the current year, unfavorable variances exceeded 5%.
- Cause: An appropriate amendment was not made to the budget once the Town of Melville realized that unfavorable variances exceeded 5% of budget amounts.
- Effect: The Town was not in compliance with Louisiana Audit Law.
- Recommendation: We recommend that the Town implement policies and procedures to ensure that the budget is amended whenever variances exceed amounts allowable by the Local Government Budget Act.

### **Finding 2023-012 – Utility Billing Practices**

- Criteria: The Louisiana Constitution forbids giving away a thing of value. In addition, municipalities that provide utilities should provide bills to customers at consistent intervals, to establish the cash flows necessary to provide for the continuity of the utility system.
- Condition: 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.

# **TOWN OF MELVILLE**

## ***Schedule of Findings***

***September 30, 2023***

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- Cause: The overall disfunction of the Town’s accounting system, utility billing system, and an inappropriate control environment were all contributing factors to utility bills not being prepared timely.
  
- Effect: The Town may have been in violation of provisions of the Louisiana Constitution forbidding giving away a thing of value, by providing utility services without payment. In addition, members of the Town’s previous administration may have committed malfeasance in office, by intentionally failing to perform a duty lawfully required of them.
  
- Recommendation: We recommend that the Town’s current administration continue to send out utility bills in a timely manner, to enable the Town to properly function in the future.

# **TOWN OF MELVILLE**

## **Management's Corrective Action Plan**

**September 30, 2023**

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

**Finding 2023-001 – Accounting Policies and Financial Reporting**

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.

**Finding 2023-002 – Capital Asset Management –**

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.

**Finding 2023-003 Payroll Tax Reporting**

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

**Finding 2023-004 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.

**Finding 2023-005 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.

**Finding 2023-006 - Written Minutes**

The Town was unable to produce minutes of meetings for a substantial portion of the year.

**Finding 2023-007 Debt Covenants**

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.

**Finding 2023-008 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.

**Finding 2023-009 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:**

The current administration inherited a deficient accounting system, with records unavailable for an extensive period of time. We have instituted new systems that will enable us to retain all required documentation going forward.

**Response:**

We have begun a list of capital assets, and are in the process of locating each individual item, as well as accounting for disposals that occurred before the current administration took office. We believe this will be accomplished before the next audit.

**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.

**Response:**

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

**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.

**Response:**

The previous administration and Town Clerk did not maintain a minute book as required. In the current administration, we have maintained a minute book diligently, and will be able to produce all required minutes in the future.

**Response:**

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

**Response:**

We are in the process of adopting ordinances establishing salaries for each elected official in Town.

**Response:**

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

**TOWN OF MELVILLE**

***Management's Corrective Action Plan***

***September 30, 2023***

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<p><b><u>Finding 2023-010 Late Issuance of Report</u></b> The Town did not pay all required payroll taxes to the Internal Revenue Service and Louisiana Department of Revenue.</p> <p><b><u>Finding 2023-011 Local Government Budget Act</u></b> In the current year, unfavorable budget variances were greater than the amount allowed by the Local Government Budget Act.</p> <p><b><u>Finding 2023-012 Utility Billing Practices</u></b> 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><b><u>Response:</u></b> We believe that this issue will not repeat itself in the future, and that we will provide information to our audit firm in sufficient time as to enable them to submit our audit prior to the deadline in subsequent years.</p> <p><b><u>Response:</u></b> In the future, we will monitor our budget more closely, to ensure budgetary compliance.</p> <p><b><u>Response:</u></b> In the future, we will continue to send utility bills to customers monthly.</p>
<p><b><u>SECTION II</u></b> <b>MANAGEMENT LETTER</b></p>	
<p><b><u>Findings – No Such Findings of this Nature</u></b></p>	<p><b><u>No Response Necessary</u></b></p>

**TOWN OF MELVILLE**  
***Summary of Prior Year Findings***  
***September 30, 2023***

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

<p><b><u>Finding 2022-001- Inadequate Segregation</u></b>  The Town did not have adequate segregation of functions within the accounting system</p> <p><b><u>Finding 2022-002- Accounting Policies and Reporting</u></b>  The Town’s lack of internal controls, policies and procedures, and accounting practices have contributed to a variety of problems, including unavailable documentation, large overdue balances, and management’s inability to evaluate financial decisions.</p> <p><b><u>Finding 2022-003- Inadequate Documentation</u></b>  During a test of disbursements, it was noted that there is not sufficient support for many of the Town’s expenditures.</p> <p><b><u>Finding 2022-004- Capital Asset Management</u></b>  The Town does not have any policies and procedures in place to monitor and tag all of the Town’s assets, and may be in violation of state law.</p> <p><b><u>Finding 2022-005- Failure to Remit Payroll Taxes Timely</u></b>  The Town does not have adequate controls to ensure all payroll taxes were remitted to the appropriate agencies by the prescribed deadlines. In addition, the Town has large outstanding balances of taxes due from previous years.</p> <p><b><u>Finding 2022-006- Customer Deposits Subsidiary Ledger</u></b>  The Town is not maintaining an accurate subsidiary ledger for customer deposits and the subsidiary ledger is not being reconciled to the cash account balance.</p> <p><b><u>Finding 2022-007- Donated Funds</u></b>  The Town may have violated state law in relation to the donation of public funds, as the Town has several old outstanding customer account receivables, and which some accounts are for board members.</p> <p><b><u>Finding 2022-008- Failure to Maintain Minute Book</u></b>  The Town failed to maintain minutes of Town meetings.</p> <p><b><u>Finding 2022-009- Debt Covenants</u></b>  The Town did not comply with its debt covenants, as required by the USDA</p> <p><b><u>Finding 2022-010- Late Issuance of Report</u></b>  The Town failed to submit its annual financial statements by the deadline set by the Louisiana Audit Law.</p>	<p><b><u>Status: Resolved</u></b>  Involvement from a local third-party accounting firm has enabled the Town to have segregation of duties appropriate for an entity of this size.</p> <p><b><u>Status: Unresolved, See Finding 2023-001</u></b></p> <p><b><u>Status: Unresolved, See Finding 2023-001</u></b></p> <p><b><u>Status: Unresolved, See Finding 2023-002</u></b></p> <p><b><u>Status: Unresolved, See Finding 2023-003</u></b></p> <p><b><u>Status: Unresolved, See Finding 2023-004</u></b></p> <p><b><u>Status: Unresolved, See Finding 2023-005</u></b></p> <p><b><u>Status: Unresolved, See Finding 2023-006</u></b></p> <p><b><u>Status: Unresolved, See Finding 2023-007</u></b></p> <p><b><u>Status: Unresolved, See Finding 2023-010</u></b></p>
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**TOWN OF MELVILLE**  
***Schedule of Prior Year Findings***  
***September 30, 2023***

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<b><u>SECTION II</u></b> <b>MANAGEMENT LETTER</b>	
<b><u>Findings – No Such Findings of this Nature</u></b>	<b><u>No Response Necessary</u></b>

**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, 2022 through September 30, 2023. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

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

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

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

Rozier, McKay & Willis  
Certified Public Accountants  
Alexandria, Louisiana  
June 28, 2024



1407 Peterman Drive  
Alexandria, Louisiana 71315

Voice: 318.442.1608  
Online: [CenlaCPAs.com](http://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"> <li>• Budgeting</li> <li>• Purchasing</li> <li>• Disbursements</li> <li>• Receipts</li> <li>• Payroll/Personnel</li> <li>• Contracting</li> <li>• Credit Cards</li> <li>• Travel and Expense Reimbursements</li> <li>• Ethics</li> <li>• Debt Service</li> <li>• Disaster Recovery / Business Continuity</li> <li>• Sexual Harassment</li> </ul>	<p>The Town's written procedures covered the following categories in the required detail.</p> <ul style="list-style-type: none"> <li>• Disbursements</li> <li>• Payroll/Personnel</li> <li>• Travel / Expense Reimbursement</li> </ul> <p>The Town's written procedures covered the following categories, but not in the required detail</p> <ul style="list-style-type: none"> <li>• Sexual Harassment</li> </ul> <p>The Town's did not have written procedures that covered the following categories.</p> <ul style="list-style-type: none"> <li>• Budgeting</li> <li>• Purchasing</li> <li>• Receipts</li> <li>• Contracting</li> <li>• Credit Cards</li> <li>• Ethics</li> <li>• Debt Service</li> <li>• Disaster Recover / Business Continuity</li> </ul>	<p><i>Despite the absence of written details, the Town of Melville's staff is small enough that job duties can be communicated to staff and closely supervised. However, we will examine our written procedures and the Legislative Auditor's "Best Practices" and develop written policies for each one of the missing areas.</i></p>

# **Town of Melville**

## **Statewide Agreed-Upon Procedures**

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

<b>Board (or Finance Committee)</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<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>Board meeting minutes were reviewed for the fiscal period.</p> <p>The Town was unable to provide minutes for several meetings during the current year.</p> <p>Budget – to – Actual comparisons were not included as part of the Town's monthly meetings.</p> <p>The minutes did not reference a formal plan to eliminate the negative unrestricted fund balance in the general fund.</p>	<p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>While these issues predated the current administration, we have put into place new procedures to ensure that minutes are maintained throughout the year.</i></b></p> <p><b><i>We will start providing Budget to actual comparisons as part of the Board's monthly report each month.</i></b></p> <p><b><i>In the future, we will formally document a plan to eliminate our negative unrestricted fund balance in the general fund.</i></b></p>

**Town of Melville**

**Statewide Agreed-Upon Procedures**

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

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

**Town of Melville**

**Statewide Agreed-Upon Procedures**

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

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



**Town of Melville**

**Statewide Agreed-Upon Procedures**

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

<b>Collections (excluding EFTs)</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<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>Due to the limited size of the staff, opportunities for segregation are limited. Upon occasion, the employee responsible for collecting cash is responsible for making bank deposits.</p>	<p><i><b>We believe that our segregation of duties is appropriate for an entity of our size.</b></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>An outside accounting firm is responsible for posting collection entries to the general ledger</p>	<p><i><b>The results did not include findings or criticisms.</b></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>Due to the limited size of the staff, opportunities for segregation are limited. Upon occasion, the employee reconciling cash collections to the general ledger will collect cash.</p>	<p><i><b>We believe that our segregation of duties is appropriate for an entity of our size.</b></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>Coverage for employee theft is maintained.</p>	<p><i><b>The results did not include findings or criticisms.</b></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>When required by policy, receipts were sequentially pre-numbered.</p> <p>Collections documentation agreed to the deposit slip.</p> <p>Deposits slips agreed to the actual deposits per the bank statement.</p> <p>Deposits are made within one business day of receipt.</p> <p>Deposits agreed with amounts reported on the general ledger.</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>The results did not include findings or criticisms.</i></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)**

<b>Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>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).</p>	<p>All disbursements are processed in the administrative offices at the Town Hall.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>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:</p>		
<p>a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.</p>	<p>Purchases require involvement from multiple parties.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>b) At least two employees are involved in processing and approving payments to vendors.</p>	<p>At least two employees are involved in processing and approving payment to vendors.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>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.</p>	<p>An outside accounting firm is responsible for adding/modifying vendor files, and changes are monitored by management.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail</p>	<p>Due to the limited size of the staff, it is not practical to limit mailing duties to employees who do not have signing authority.</p>	<p><i>We believe that our segregation of duties is appropriate for an entity of our size.</i></p>

**Town of Melville**

**Statewide Agreed-Upon Procedures**

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

<b>Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<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 documentation.</p> <p>Disbursement included evidence of segregation of duties.</p> <p>Electronic disbursements were approved, but not by multiple parties, as the Town requires for other disbursements.</p>	<p><i><b>The results did not include findings or criticisms.</b></i></p> <p><i><b>The results did not include findings or criticisms.</b></i></p> <p><i><b>We will begin to require dual signatures on electronic disbursements.</b></i></p>

**Town of Melville**

**Statewide Agreed-Upon Procedures**

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

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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>A listing was furnished, and management represented to its completeness.</p>	<p><b><i>The results did not include findings or criticisms.</i></b></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>b. Observe that finance charges and late fees were not assessed on the selected statements.</p>	<p>The credit card selected contained documentation of review and approval.</p> <p>There were no finance charges or late fees.</p>	<p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p>

**Town of Melville**

**Statewide Agreed-Upon Procedures**

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

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<b>Credit Cards/Debit Cards/Fuel Cards/P-Cards</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
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).	Not all transactions had itemized receipts, written documentation of the business/public purposes, or documentation of the individuals participating in meals.	<i>In the future, we will ensure that an itemized receipt is retained, the business purpose of transactions is evident, and that individuals participating in meals are properly documented.</i>

**Town of Melville**

**Statewide Agreed-Upon Procedures**

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

<b>Travel and Expense Reimbursement</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<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 (<a href="http://www.gsa.gov">www.gsa.gov</a>).</p> <p>b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.</p> <p>c. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).</p> <p>d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.</p>	<p>A listing was provided by, and management represented to its completeness.</p> <p>Reimbursements were for actual costs, or agreed to GSA rates.</p> <p>Reimbursements containing actual costs were supported by an original itemized receipt.</p> <p>Each reimbursement was supported by documentation of the business purpose.</p> <p>In some cases, reimbursements were not approved by someone other than the person receiving the reimbursement.</p>	<p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>In the future, we will make sure that reimbursements are approved by someone other than the person receiving the reimbursement.</i></b></p>

**Town of Melville**

**Statewide Agreed-Upon Procedures**

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

<b>Contracts</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<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>A list of all contracts was provided, and management represented to its completeness.</p> <p>The selected contracts were not subject to the Louisiana Public Bid Law.</p> <p>Contracts were approved by the Board of Aldermen.</p> <p>None of the selected contracts were amended.</p> <p>Supporting documentation for each payment agreed to the terms and conditions of the contracts.</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>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)**

<b>Payroll and Personnel</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<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>A listing was provided, and management represented to its completeness.</p>	<p><b><i>The results did not include findings or criticisms.</i></b></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>Daily attendance and leave were documented.</p> <p>Supervisors approved attendance and leave of the selected employees.</p> <p>Leave taken was reflected in the leave records.</p>	<p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></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>Termination payments agreed to authorized pay rates and cumulative leave records.</p>	<p><b><i>The results did not include findings or criticisms.</i></b></p>



**Town of Melville**

**Statewide Agreed-Upon Procedures**

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

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<b>Payroll and Personnel</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
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.	Payroll taxes were not paid by required deadlines.	<b><i>In the future, we will pay all payroll taxes as they become due, and work with the Internal Revenue Service to pay all past due amounts.</i></b>

**Town of Melville**

**Statewide Agreed-Upon Procedures**

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

<b>Ethics</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<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>There was no documentation demonstrating each employee completed one hour of ethics training during the fiscal period.</p> <p>The Town doesn't have a written ethics policy.</p>	<p><i>In the future, management will take steps to ensure that each employee completes annual ethics training.</i></p> <p><i>In the future, management will adopt an ethics policy, and have employees attest to reviewing the policy on a regular basis.</i></p>
<p>22 Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.</p>	<p>The agency has not appointed an ethics designee</p>	<p><i>In the future, management will take steps to appoint an ethics designee.</i></p>

**Town of Melville**

**Statewide Agreed-Upon Procedures**

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

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<b>Debt Service</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
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.	A completed list of bonds/notes was provided by management. No new debt was issued in the current year.	<b><i>The results did not include findings or criticisms.</i></b>
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.	<b><i>In the future, we will make all required monthly transfers to comply with our debt covenants.</i></b>

**Town of Melville**

**Statewide Agreed-Upon Procedures**

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

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<b>Fraud Notice</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
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.	Management has represented that there were no misappropriations of public funds during the fiscal period.	<b><i>The results did not include findings or criticisms.</i></b>
26 Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.	The notice was not posted on the website.	<b><i>Management will take the steps needed to update the website.</i></b>

**Town of Melville**

**Statewide Agreed-Upon Procedures**

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

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

**Town of Melville**

**Statewide Agreed-Upon Procedures**

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

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<b>Information Technology Disaster Recovery /Business Continuity</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.		

**Town of Melville**

**Statewide Agreed-Upon Procedures**

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

<b>Sexual Harassment</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>29 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.</p>	<p>Documentation was not available demonstrating each employee completed at least one hour of sexual harassment training during the calendar year.</p>	<p><i>In the future, management will make sure documentation for sexual harassment training is available in all employee files.</i></p>
<p>30 Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).</p>	<p>The entity has not posted its sexual harassment policy and complaint procedure on its website.</p>	<p><i>In the future, management will make sure the sexual harassment policy and complaint procedure will be posted in the website.</i></p>
<p>31 Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:</p> <ul style="list-style-type: none"> <li>a. Number and percentage of public servants in the agency who have completed the training requirements;</li> <li>b. Number of sexual harassment complaints received by the agency;</li> <li>c. Number of complaints which resulted in a finding that sexual harassment occurred;</li> <li>d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and</li> <li>e. Amount of time it took to resolve each complaint.</li> </ul>	<p>The entity did not complete an annual sexual harassment report for the current fiscal period.</p>	<p><i>In the future, we will complete the necessary report within deadlines imposed by the statute.</i></p>