

**Town of Ferriday**  
**Ferriday, Louisiana**  
**Annual Audit Report**  
**June 30, 2025**

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## **Independent Auditors' Report**

The Honorable Alvin Garrison, Mayor  
& Members of the Town Council  
Ferriday, Louisiana

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund formation of the Town of Ferriday, Louisiana (Town), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***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'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.

### ***Auditors' Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that information on pages 37-43 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of American require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of

financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying schedules of compensation, nonmajor governmental fund, Justice System Funding Schedules, and schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of compensation, nonmajor governmental fund and Justice System Funding Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the financial report. The other information comprises the schedule of number of utility customers but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2025, on our consideration of the Town'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 solely 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 the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



KnightMasden  
Alexandria, Louisiana  
December 31, 2025

## **Basic Financial Statements**

Town of Ferriday, Louisiana  
Statement of Net Position  
June 30, 2025

	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Current Assets</b>			
Cash & Cash Equivalents	\$ 269,448	\$ 302,266	\$ 571,714
Receivables, Net of Allowances	129,790	279,628	409,418
<b>Total Current Assets</b>	<u>399,238</u>	<u>581,894</u>	<u>981,132</u>
<b>Non-Current Assets</b>			
Restricted Assets	135,770	349,001	484,771
Capital Assets, Net of Accumulated Depreciation	3,753,097	7,886,201	11,639,298
<b>Total Non-Current Assets</b>	<u>3,888,867</u>	<u>8,235,202</u>	<u>12,124,069</u>
<b>Total Assets</b>	<u>4,288,105</u>	<u>8,817,096</u>	<u>13,105,201</u>
<b>Deferred Outflows of Resources</b>			
Deferred Outflows - Municipal Employees' Pension	178,190	(9,094)	169,096
Deferred Outflows - Municipal Police Pension	715,247	-	715,247
<b>Total Deferred Outflows of Resources</b>	<u>893,437</u>	<u>(9,094)</u>	<u>884,343</u>
<b>Current Liabilities</b>			
Accounts, Salaries, & Other Payables	353,085	189,417	542,502
Accrued Interest Payable	2,759	-	2,759
Current Bonds & Notes Payable	30,000	32,796	62,796
<b>Total Current Liabilities</b>	<u>385,844</u>	<u>222,213</u>	<u>608,057</u>
<b>Non-Current Liabilities</b>			
Customer Deposits	-	135,685	135,685
Bonds & Notes Payable	1,284,000	1,308,957	2,592,957
Net Pension Liabilities	1,330,561	45,847	1,376,408
<b>Total Non-Current Liabilities</b>	<u>2,614,561</u>	<u>1,490,489</u>	<u>4,105,050</u>
<b>Total Liabilities</b>	<u>3,000,405</u>	<u>1,712,702</u>	<u>4,713,107</u>
<b>Deferred Inflows of Resources</b>			
Deferred Inflows - Municipal Employees' Pension	(4,524)	20,990	16,466
Deferred Inflows - Municipal Police Pension	72,081	-	72,081
<b>Total Deferred Inflows of Resources</b>	<u>67,557</u>	<u>20,990</u>	<u>88,547</u>
<b>Net Position</b>			
Net Investment in Capital Assets	2,439,097	6,544,448	8,983,545
Restricted for System Maintenance	290	151,079	151,369
Restricted for Debt Service	135,480	197,922	333,402
Unrestricted	(461,287)	180,861	(280,426)
<b>Total Net Position</b>	<u>\$ 2,113,580</u>	<u>\$ 7,074,310</u>	<u>\$ 9,187,890</u>

The accompanying notes are an integral part of this statement.



Town of Ferriday, Louisiana  
Balance Sheet  
Governmental Funds  
June 30, 2025

	<u>General Fund</u>	<u>Street Bond Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Assets</b>				
Cash & Cash Equivalents	\$ 269,448	\$ -	\$ -	\$ 269,448
Cash - Restricted	135,480	290	-	135,770
Receivables (Net of Allowances)	129,790	-	-	129,790
Due from Other Funds	<u>-</u>	<u>83,379</u>	<u>-</u>	<u>83,379</u>
<b>Total Assets</b>	<u>\$ 534,718</u>	<u>\$ 83,669</u>	<u>\$ -</u>	<u>\$ 618,387</u>
<b>Liabilities</b>				
Accounts, Salaries, & Other Payables	305,335	-	-	305,335
Due to Other Funds	<u>83,379</u>	<u>-</u>	<u>-</u>	<u>83,379</u>
<b>Total Liabilities</b>	388,714	-	-	388,714
<b>Fund Balances</b>				
Restricted for System Maintenance		290	-	290
Restricted for Debt Service	52,101	83,379	-	135,480
Unassigned	<u>93,903</u>	<u>-</u>	<u>-</u>	<u>93,903</u>
<b>Total Fund Balances</b>	<u>146,004</u>	<u>83,669</u>	<u>-</u>	<u>229,673</u>
<b>Total Liabilities &amp; Fund Balances</b>	<u>\$ 534,718</u>	<u>\$ 83,669</u>	<u>\$ -</u>	<u>\$ 618,387</u>

The accompanying notes are an integral part of this statement.

Town of Ferriday, Louisiana  
 Reconciliation of the Government Balance Sheet  
 to the Government-Wide Financial Statement of Net Position  
 June 30, 2025

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balance, Total Governmental Funds	\$ 229,673
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	3,753,097
Deferred outflows and inflows are not financial resources or currently payable.	
Outflows	893,437
Inflows	(67,557)
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Bonds/Notes Payable	(1,314,000)
Accrued Interest Payable	(2,759)
Accrued Compensated Absences	(47,749)
Long-term net pension liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	<u>(1,330,561)</u>
Net Position of Governmental Activities	<u>\$2,113,580</u>

Town of Ferriday, Louisiana  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2025

	<u>General Fund</u>	<u>Street Bond Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Revenues</b>				
Fees & Charges	\$ 166,601	\$ -	\$ -	\$ 166,601
Taxes	1,402,005	-	-	1,402,005
Licenses & Permits	39,649	-	-	39,649
Fines	255,381	-	-	255,381
Interest Income	991	-	-	991
Grants	381,200	-	-	381,200
Other General Revenue	50,219	-	-	50,219
<b>Total Revenues</b>	<u>2,296,046</u>	<u>-</u>	<u>-</u>	<u>2,296,046</u>
<b>Expenditures</b>				
General & Administrative	951,887	-	-	951,887
Public Safety:				-
Fire	172,931	-	-	172,931
Police	959,580	-	-	959,580
Street	290,076	-	-	290,076
Sanitation	322,456	-	-	322,456
Recreation	6,514	-	-	6,514
Debt Service	-	-	-	-
Capital Outlay	53,500	-	-	53,500
<b>Total Expenditures</b>	<u>2,756,944</u>	<u>-</u>	<u>-</u>	<u>2,756,944</u>
Excess (Deficiency) of Revenue Over Expenditures	(460,898)	-	-	(460,898)
<b>Other Financing Sources (Uses)</b>				
Transfers In/(Out)	34,528	-	(3,372)	31,156
Proceeds form Issuance of Bonds	558,000	-	-	558,000
<b>Total Other Financing Sources (Uses)</b>	<u>592,528</u>	<u>-</u>	<u>(3,372)</u>	<u>589,156</u>
<b>Net Change in Fund Balance</b>	131,630	-	(3,372)	128,258
Fund Balance - Beginning	14,374	83,669	3,372	101,415
<b>Fund Balance - Endings</b>	<u>\$ 146,004</u>	<u>\$ 83,669</u>	<u>\$ -</u>	<u>\$ 229,673</u>

The accompanying notes are an integral part of this statement.

Town of Ferriday, Louisiana  
 Reconciliation of the Statement of Revenues, Expenditures and Changes  
 in Fund Balances of Government Funds to the Statement of Activities  
 For the Year Ended June 30, 2025

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

Net Change in Fund Balances, Total Governmental Funds \$ 128,258

Governmental funds report capital outlays as expenditures. However, in the statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Purchases	53,500
Depreciation Expense	(276,954)

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Proceeds	(558,000)
Principal Paid	(36,187)

Net pension is reported in governmental funds as expenditure as they are paid; however, in the statement of activities the net pension expense is reported according to estimates required by GASB 68. This is the amount that the pension estimate defers from pension expenses paid in the current year.

Pension Revenue	44,032
Net Pension Expense	(316,587)

Increase in Accrued Compensated Absences	<u>(14,147)</u>
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Changes in Net Position of Governmental Activities	<u>\$ (976,085)</u>
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Town of Ferriday, Louisiana  
Statement of Net Position  
Proprietary Funds  
For the Year Ended June 30, 2025

	Business-Type Activities Enterprise Fund (Major Enterprise Fund)		
	Sewer	Water	Total
<b>Current Assets</b>			
Cash & Cash Equivalents	\$ 162,790	\$ 139,476	\$ 302,266
Receivables (Net of Allowances for Uncollectible)	65,131	214,497	279,628
<b>Total Current Assets</b>	<u>227,921</u>	<u>353,973</u>	<u>581,894</u>
<b>Non-Current Assets</b>			
Restricted Assets	-	349,001	349,001
Capital Assets (Net of Accumulated Depreciation)	1,376,685	6,509,516	7,886,201
<b>Total Non-Current Assets</b>	<u>1,376,685</u>	<u>6,858,517</u>	<u>8,235,202</u>
<b>Total Assets</b>	<u>1,604,606</u>	<u>7,212,490</u>	<u>8,817,096</u>
<b>Deferred Outflows of Resources</b>			
Pension Related	(9,094)	-	(9,094)
<b>Total Deferred Outflows of Resources</b>	<u>(9,094)</u>	<u>-</u>	<u>(9,094)</u>
<b>Current Liabilities</b>			
Accounts, Salaries, & Other Payables	11,568	177,849	189,417
Revenue Bonds Payable (Current Portion)	-	32,796	32,796
<b>Total Current Liabilities</b>	<u>11,568</u>	<u>210,645</u>	<u>222,213</u>
<b>Non-Current Liabilities</b>			
Customer Deposits	-	135,685	135,685
Revenue Bonds	-	1,308,957	1,308,957
Net Pension Liability	45,847	-	45,847
<b>Total Non-Current Liabilities</b>	<u>45,847</u>	<u>1,444,642</u>	<u>1,490,489</u>
<b>Total Liabilities</b>	<u>57,415</u>	<u>1,655,287</u>	<u>1,712,702</u>
<b>Deferred Inflows of Resources</b>			
Pension Related	20,990	-	20,990
<b>Total Deferred Inflows of Resources</b>	<u>20,990</u>	<u>-</u>	<u>20,990</u>
<b>Net Position</b>			
Net Investment in Capital Assets	1,376,685	5,167,763	6,544,448
Restricted for System Maintenance	-	151,079	151,079
Restricted for Debt Service	-	197,922	197,922
Unrestricted	140,422	40,439	180,861
<b>Total Net Position</b>	<u>\$ 1,517,107</u>	<u>\$ 5,557,203</u>	<u>\$ 7,074,310</u>

The accompanying notes are an integral part of this statement.

Town of Ferriday, Louisiana  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2025

	Business-Type Activities Enterprise Fund (Major Enterprise Fund)		
	Sewer	Water	Total
Operating Revenues			
Sales of Services	\$ 489,554	\$1,236,021	\$1,725,575
Other Operating Revenues	4,585	3,064	7,649
Total Operating Revenues	<u>494,139</u>	<u>1,239,085</u>	<u>1,733,224</u>
Operating Expenses			
Management Fees	-	489,811	489,811
Operating Expenses	354,230	707,001	1,061,231
Depreciation	193,988	292,373	486,361
Total Operating Expenses	<u>548,218</u>	<u>1,489,185</u>	<u>2,037,403</u>
Operating Income (Loss)	<u>(54,079)</u>	<u>(250,100)</u>	<u>(304,179)</u>
Non-Operating Revenues (Expenses)			
Interest Earnings	2,589	2,415	5,004
Interest Expense	(9,340)	(32,861)	(42,201)
Total Non-Operating Revenues (Expenses)	<u>(6,752)</u>	<u>(30,447)</u>	<u>(37,197)</u>
Income (Loss) Before Contributions & Transfers	(60,831)	(280,547)	(341,376)
Contributions & Transfers			
Transfers In/(Out)	(31,707)	551	(31,156)
Total Contributions & Transfers	<u>(31,707)</u>	<u>551</u>	<u>(31,156)</u>
Change in Net Position	(92,538)	(279,996)	(372,534)
Total Net Position - Beginning	<u>1,609,645</u>	<u>5,837,199</u>	<u>7,446,844</u>
Total Net Position - Ending	<u>\$1,517,107</u>	<u>\$5,557,203</u>	<u>\$7,074,310</u>

The accompanying notes are an integral part of this statement.

Town of Ferriday, Louisiana  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2025

	Business-Type Activities Enterprise Fund (Major Enterprise Fund)		
	Sewer	Water	Total
	Sewer	Water	Total
Cash Flows from Operating Activities			
Receipts from Customers & Users	\$ 495,646	\$ 1,137,928	\$ 1,633,574
Payments to Employees	(116,318)	-	(116,318)
Payments to Suppliers	(216,912)	(1,136,349)	(1,353,261)
Net Cash Provided (Used) by Operating Activities	<u>162,415</u>	<u>1,579</u>	<u>163,994</u>
Cash Flows from NonCapital Financing Activities			
Transfers from (to) Other Funds	(31,707)	551	(31,156)
Net Cash Provided (Used) by NonCapital Financing Activities	<u>(31,707)</u>	<u>551</u>	<u>(31,156)</u>
Cash Flows from Capital & Related Financing Activities			
Interest Paid on Capital Debt	(9,340)	(32,861)	(42,202)
Principal Paid on Revenue Bonds	(81,179)	(31,963)	(113,142)
Net Cash Provided (Used) by Capital & Related Financing Activities	<u>(90,519)</u>	<u>(64,824)</u>	<u>(155,343)</u>
Cash Flows from Investing Activities			
Interest & Dividends Received	2,589	2,415	5,004
Net Cash Provided (Used) by Investing Activities	<u>2,589</u>	<u>2,415</u>	<u>5,004</u>
Net Increase (Decrease) in Cash & Cash Equivalents	42,778	(60,279)	(17,501)
Cash - Beginning of Year	<u>120,012</u>	<u>548,756</u>	<u>668,768</u>
Cash - End of Year	<u>\$ 162,790</u>	<u>\$ 488,477</u>	<u>\$ 651,267</u>
Reconciliation to Balance Sheet			
Cash and Cash Equivalents	\$ 162,790	\$ 139,476	\$ 302,266
Other Restricted Cash	-	349,001	349,001
Total Cash & Cash Equivalents	<u>\$ 162,790</u>	<u>\$ 488,477</u>	<u>\$ 651,267</u>

The accompanying notes are an integral part of this statement.

Town of Ferriday, Louisiana  
Statement of Cash Flows Reconciliation  
Proprietary Funds  
For the Year Ended June 30, 2025

	Business-Type Activities		
	Enterprise Fund		
	(Major Enterprise Fund)		
	Sewer	Water	Total
Reconciliation of Operating Income/(Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income/Loss	\$ (54,079)	\$ (250,100)	\$ (304,179)
Adjustments			
Depreciation Expense	193,988	292,373	486,361
(Increase) Decrease in Accounts Receivable	(11,462)	(69,240)	(80,702)
Increase (Decrease) in Accounts Payables	4,525	15,098	19,623
Increase (Decrease) in Customer Deposits	-	10,400	10,400
Increase (Decrease) in Other Payables	29,444	3,048	32,492
Total Adjustments	<u>216,495</u>	<u>251,679</u>	<u>468,174</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 162,415</u>	<u>\$ 1,579</u>	<u>\$ 163,994</u>

The accompanying notes are an integral part of this statement.

Town of Ferriday  
Notes to the Basic Financial Statements  
June 30, 2025

**Note 1 – Summary of Significant Accounting Policies**

The Town of Ferriday was incorporated under the provisions of the Lawrason Act in 1923. The Town operates under the Mayor-Board of Alderman form of government. The Town provides the following significant services to its residents as provided by its charter: public safety (police and fire), streets, sanitation, utility services, and general administrative functions, including coordination of related services with parish, state, and federal governing bodies.

The accounting and reporting policies of the Town of Ferriday conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

Government-Wide & Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, & Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Town of Ferriday  
Notes to the Basic Financial Statements  
June 30, 2025

**Note 1 – Summary of Significant Accounting Policies (Continued)**

Measurement Focus, Basis of Accounting, & Financial Statement Presentation (Continued)

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major governmental funds:

The General Fund is the municipality’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Street Bond Fund accounts for transactions relating to resources retained and used for the payment of principal and interest on long-term obligations created by issuing of \$1,280,000 general obligation bonds.

The municipality reports the following major proprietary funds:

- Water Activities
- Sewer Activities

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government’s enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues are charges for services and sales taxes. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Equity Classifications

In the government-wide financial statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

*Net Investment in Capital Assets* - Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

*Restricted Net Position* - Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Town of Ferriday  
Notes to the Basic Financial Statements  
June 30, 2025

**Note 1 – Summary of Significant Accounting Policies (Continued)**

Equity Classifications (Continued)

*Unrestricted Net Position* - All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies restricted resources first. The policy concerning which to apply first varies with the intended use and legal requirements. The decision is typically made by management at the incurrence of the expense.

In the Fund Financial Statements, governmental fund equity is classified as a fund balance. The Town has implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the purposes for which resources can be used:

*Nonspendable fund balance* – amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;

*Restricted fund balance* – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

*Committed fund balance* – amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;

*Assigned fund balance* – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

*Unassigned fund balance* – amounts that are available for any purpose; positive amounts are reported only in the general fund.

Cash & Investments

For purposes of the Statement of Net Position, cash and interest-bearing deposits, all demand accounts, savings accounts, and certificates of deposit of the Town. For the purpose of the proprietary fund Statement of Cash Flows, “Cash and Cash Equivalents” include all demand and savings accounts, and certificates of deposit under 90 days.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) 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 Ferriday  
Notes to the Basic Financial Statements  
June 30, 2025

**Note 1 – Summary of Significant Accounting Policies (Continued)**

Custodial Credit Risk (Continued))

The Town does not have a policy for custodial risk however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Entity that the fiscal agent bank has failed to pay deposit funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Entity's name.

Inventories

Immaterial amounts of inventory are maintained for general fund and enterprise fund operations and, accordingly, these supplies are expensed as purchased.

Capital Assets

For the year ended June 30, 2025, no interest costs were capitalized for construction of fixed assets.

Depreciation of all exhaustible fixed assets is charged as an expense against its operations. Accumulated depreciation is reported on the proprietary fund balance sheet and governmental fund statement of activities. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

	<u>Life In Years</u>
Water System	40
Sewer System	40
Buildings	40
Equipment	3-10
Other	5-20

The Town has a capitalization policy of \$2,500.

Compensated Absences

The municipality has the following policy relating to vacation and sick leave:

*Annual Leave-* For the first five years of full-time employment, each employee shall be credited with 80 hours of annual leave on his or her employment anniversary date. Each employee with more than five and less than ten years of service as a full -time employee shall be credited with 96 hours of annual leave on his or her anniversary date. Each employee with ten or more years of service as a full-time employee shall be credited with 120 hours of annual leave on his or her employment anniversary. The maximum hours accumulated can be no more than 240 hours.

*Sick Leave-* Each full-time employee shall earn sick leave at the rate of eight hours for each month worked. However, no employee may accumulate more than 80 hours of sick leave per year, nor accumulate more than 240 hours of sick leave overall.

Town of Ferriday  
Notes to the Basic Financial Statements  
June 30, 2025

**Note 1 – Summary of Significant Accounting Policies (Continued)**

Compensated Absences (Continued)

GASB Statement 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employees' rights to receive compensation attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

1. An accrual for earned sick leave should be made only to the extent that it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
2. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments, as well as other employees who are expected to become eligible in the future to receive such payments.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

Long-Term Obligations

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Restricted Net Position

The Town records restricted assets to indicate that a portion of its net position balances are legally restricted for a specific future use. The following is a list of such restrictions and a description of each:

*Restricted for System Maintenance* – This amount represents monies restricted for repairs and replacement of the water system.

*Restricted - Revenue Bonds* – This amount represents monies restricted as required by the revenue bond indentures.

*Restricted for Debt Service* – Certain assets have been restricted in the Debt Service Fund for future payment of long-term liabilities of the governmental funds.

Town of Ferriday  
Notes to the Basic Financial Statements  
June 30, 2025

**Note 1 – Summary of Significant Accounting Policies (Continued)**

Use of Estimates

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

Encumbrances

The Town does not utilize encumbrance accounting.

**Note 2 - Cash and Cash Equivalents**

All cash and investments (CD's over 90 days) are reported at cost and are on deposit at federally insured banks.

It is the Town's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Town's deposits are categorized to give an indication of the level of risk assumed by the Town at fiscal year-end. All deposits were secured at the year-end. The categories are described as follows:

*Category 1* – Insured or collateralized with securities held by the Town or by its agent in the Town's name.

*Category 2* – Collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name.

*Category 3* – Uncollateralized.

	<u>Delta Bank</u>	<u>Concordia Bank</u>	<u>Tensas State Bank</u>	<u>Total</u>
Bank Balance	<u>\$788,376</u>	<u>\$352,631</u>	<u>\$465</u>	<u>\$1,141,472</u>
Secured as Follows				
FDIC (Category 1)	\$250,000	\$250,000	\$465	\$ 500,465
Securities (Category 2)	653,431	245,473	-	898,904
Uncollateralized (Category 3)	-	-	-	-
Total	<u>\$903,431</u>	<u>\$495,473</u>	<u>\$465</u>	<u>\$1,399,369</u>

Town of Ferriday  
Notes to the Basic Financial Statements  
June 30, 2025

**Note 3 – Accounts Receivable & Bad Debts**

At June 30, 2025 the receivables were as follows:

	<u>Enterprise Fund</u>		<u>Governmental Fund</u>
	<u>Sewer Activities</u>	<u>Water Activities</u>	<u>General Fund</u>
Tax & License	\$ -	\$ -	\$84,009
Fines	-	-	20,688
Customer	352,521	790,065	176,626
Allowance for Bad Debts	<u>(287,390)</u>	<u>(575,568)</u>	<u>(151,533)</u>
Total	<u>\$ 65,131</u>	<u>\$214,497</u>	<u>\$129,790</u>

**Note 4 – Taxes**

The Town levies taxes on real and business personal property located within its boundaries. Property taxes are levied on a calendar year basis and become due on January 1 of each year.

Property Tax Calendar

Assessment Date	January 1
Levy Date	No Later Than June 1
Tax Bills Mailed	On or About October 15
Total Taxes Are Due	December 31
Penalties and Interest are Added	January 1
Lien Date	January 1

The following is a summary of authorized and levied ad valorem taxes for the year ended June 30, 2025:

General Fund	<u>Mills</u> 4.72
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The Town has levied a 2% sales tax on sales within the legal limits of the Town. The proceeds of the sales tax are dedicated to payment of general operating expenses of the Town, payment of all or part of capital improvements, maintenance or operation of capital improvements, and any one or all of the aforementioned purposes.

**Note 5 – Restricted Assets**

At June 30, 2025, certain assets of the Town have been restricted for the following purposes:

	<u>Enterprise Fund</u>	<u>Governmental Fund</u>	
	<u>Water</u>	<u>General</u>	<u>Street Bond</u>
Bond Sinking /Reserve	\$ 61,522	\$135,480	\$ 290
Meter Deposit	136,400	-	-
Depreciation & Contingencies	151,079	-	-
Other	-	<u>(83,379)</u>	<u>83,379</u>
Total	<u>\$349,001</u>	<u>\$ 52,101</u>	<u>\$83,669</u>

Town of Ferriday  
Notes to the Basic Financial Statements  
June 30, 2025

**Note 6 – Capital Assets**

Governmental Fund

A summary of governmental fund assets at June 30, 2025, is as follows:

	<u>Balance</u> <u>June 30, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2025</u>
General	\$5,117,443	\$ 30,000	\$ -	\$5,147,443
Fire	351,123	-	-	351,123
Police	359,586	23,500	-	383,086
Street	2,360,001	-	-	2,360,001
Land*	<u>193,954</u>	<u>-</u>	<u>-</u>	<u>193,954</u>
Total Capital Assets	8,382,107	53,500	-	8,435,607
Accumulated Depreciation	<u>(4,405,556)</u>	<u>(276,954)</u>	<u>-</u>	<u>(4,682,510)</u>
Total Capital Assets, Net	<u>\$3,976,551</u>	<u>(\$223,454)</u>	<u>\$ -</u>	<u>\$3,753,097</u>

\*Land in the amount of \$193,954 is not being depreciated.

Depreciation expense was charged to governmental functions as follows:

General	\$160,125
Fire	823
Police	17,683
Street	<u>98,323</u>
Total Depreciation Expense	<u>\$276,954</u>

Enterprise Fund

A summary of enterprise fund property, plant and equipment at June 30, 2025, is as follows:

	<u>Balance</u> <u>June 30, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2025</u>
Sewer System	\$7,201,029	\$ -	\$ -	\$7,201,029
Accumulated Depreciation	<u>(5,630,356)</u>	<u>(193,988)</u>	<u>-</u>	<u>(5,824,344)</u>
Total Capital Assets, Net	<u>\$1,570,673</u>	<u>\$(193,988)</u>	<u>\$ -</u>	<u>\$1,376,685</u>
	<u>Balance</u> <u>June 30, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2025</u>
Water System	\$12,153,352	\$ -	\$ -	\$12,153,352
Accumulated Depreciation	<u>(5,351,462)</u>	<u>(292,374)</u>	<u>-</u>	<u>(5,643,836)</u>
Total Capital Assets, Net	<u>\$6,801,890</u>	<u>\$(292,374)</u>	<u>\$ -</u>	<u>\$6,509,516</u>

Town of Ferriday  
Notes to the Basic Financial Statements  
June 30, 2025

**Note 7 – Compensated Absences**

Changes in compensated absences were as follows:

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025
Governmental activities	\$33,603	\$28,638	\$14,491	\$47,750
Business-type activities	1,166	4,729	2,458	3,437
Total Compensated Absences	<u>\$34,769</u>	<u>\$33,367</u>	<u>\$16,949</u>	<u>\$51,187</u>

**Note 8 – Long-Term Debt**

The following is a summary of bond and installment notes payable transactions of the Town of Ferriday for the year ended June 30, 2025.

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Current Portion
USDA Sewer Revenue Bond	\$ 81,179	\$ -	\$(81,179)	\$ -	\$ -
USDA Water Revenue Bonds	1,160,696	-	(27,150)	1,133,546	27,859
USDA Water Revenue Bonds	213,016	-	(4,809)	208,207	4,937
Limited Tax Refunding Bonds	-	\$558,000	-	\$558,000	15,000
General Obligation Bonds	720,000	36,000	-	756,000	15,000
Total Capital Assets, Net	<u>\$2,174,891</u>	<u>\$ 594,000</u>	<u>\$(113,138)</u>	<u>\$2,655,753</u>	<u>\$62,796</u>

Bonds and installment notes payable at June 30, 2025, are comprised of the following individual issues, which are all direct borrowings:

Revenue Bonds and Notes Payable (Enterprise Fund)

\$1,384,000 Water Revenue Bonds dated April 17, 2017 through April 17, 2054 due in monthly installments of \$4,540; interest rate at 2.365% \$1,133,546

\$252,000 Water Revenue Bonds dated April 17, 2017 through April 17, 2054 due in monthly installments of \$862; interest rate at 2.625% 208,207

Bonds and Notes Payable (Governmental Activities)

Limited Tax Refunding Bonds - \$558,000 due in annual installments of \$57,000 to \$60,000 through March 1, 2040; interest rate of 6.00% 558,000

General Obligation Bonds - \$756,000 due in annual installments of \$76,000 to \$79,000 through March 1, 2040; interest rate at 5.65% 756,000

Total \$2,655,753

Town of Ferriday  
Notes to the Basic Financial Statements  
June 30, 2025

**Note 8 – Long-Term Debt (Continued)**

Principal and interest payments on debt are due are as follows:

<u>Year Ending, June 30</u>	\$558,000 United Mississippi Revenue <u>Bonds</u>	\$252,000 USDA Water Revenue <u>Bonds</u>	\$1,384,000 USDA Water Revenue <u>Bonds</u>	\$756,000 Patterson State Bank <u>GO Bonds</u>
2026	\$40,947	\$10,344	\$54,480	\$48,103
2027	\$59,580	\$10,344	\$54,480	\$78,867
2028	\$58,960	\$10,344	\$54,480	\$78,776
2029	\$59,280	\$10,344	\$54,480	\$78,573
2030	\$58,480	\$10,344	\$54,480	\$78,256
2031-2035	\$289,640	\$51,720	\$272,400	\$388,295
2036-2040	\$290,990	\$51,720	\$272,400	\$387,856
2041-2045	\$-	\$51,720	\$272,400	\$-
2046-2050	\$-	\$51,720	\$272,400	\$-
2051-2054	\$-	\$37,892	\$202,961	\$-

In the event of default on the above bonds, the bondholder may take actions as deemed necessary and appropriate as permitted by law to cause the Town to comply with its obligations under the debt and compel performance.

The Town of Ferriday’s proprietary fund bonds are governed by the terms of an indenture agreement, under the following terms:

Water Activity Bonds

The Town shall maintain an “Operation and Maintenance Reserve Fund” equal to 25% of the annual operation and maintenance cost estimated to be \$709,440, which equals \$177,360. This \$177,360 balance must be created over a 60-month period by depositing \$2,935 per month. The Town should revisit this account annually to adjust their deposits accordingly to maintain three months of the current operations and maintenance expense in an O & M reserve account. At June 30, 2025, the Town was in compliance with this covenant.

The Town shall maintain a “Depreciation Reserve Fund” by depositing \$3,434 monthly in addition to the debt service reserve. At June 30, 2025, the Town was in compliance with this covenant.

The Town shall maintain an “Emergency Fund” by depositing 10% of the proposed loan installment which would equal \$88 per month or as assigned by rural development for maintenance and repairs and debt repayment should the need arise. Reserve deposits will commence once the system becomes revenue producing. At June 30, 2025, the Town was in compliance with this covenant.

Town of Ferriday  
Notes to the Basic Financial Statements  
June 30, 2025

**Note 9 – Pension Plan**

Substantially all employees of the Town of Ferriday are members of the following statewide retirement systems. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustee. A summary of amounts reported in connection with participation in these plans is summarized as follows:

	Net Pension <u>Liability</u>	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Municipal Employees' Retirement System	\$404,655	\$169,096	\$16,466
Municipal Police Employees' Retirement System	<u>971,753</u>	<u>715,247</u>	<u>72,081</u>
Total	<u>\$1,376,408</u>	<u>\$884,343</u>	<u>\$88,547</u>
Portion Applicable to Business-Type Activities	\$45,847	(\$9,094)	\$20,990
Portion Applicable to Governmental Type Activities	\$1,330,561	\$893,437	\$67,557

Further information regarding each of the retirement systems presented above is furnished as follows:

Municipal Employees' Retirement System of Louisiana

*Plan Description* – The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B. All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Any member of Plan B who commenced participation in the System prior to January 1, 2013 can retire providing he or she meets one of the following criteria:

1. Any age with thirty or more years of creditable service.
2. Age 60 with a minimum of ten years of creditable service.

Municipal Employees' Retirement System of Louisiana (Continued)

Any member of Plan B who commenced participation in the system after January 1, 2013 can retire providing, he or she meets one of the following criteria:

1. Age 67 with seven years of creditable service.
2. Age 62 with ten years of creditable service.
3. Age 55 with thirty years of creditable service.
4. Any age with twenty-five years of creditable service with an actuarially reduced early benefit.

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of their final-average salary for each year of creditable service multiplied by his or her years of creditable service. Final average compensation is the employee's average salary over the sixty consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

Town of Ferriday  
Notes to the Basic Financial Statements  
June 30, 2025

**Note 9 – Pension Plan (Continued)**

*Funding Policy* – Under Plan B, members are required by state statute to contribute 5% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town’s contributions to the system were equal to the required contributions for each of the past three years.

*Financial Summary* – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available stand-alone financial report. The financial report includes information about the plan’s assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at mersla.com. The plans net pension liability was determined at June 30, 2023 (measurement date and actuarial valuation date) and details are provided as follows:

Net pension liability	\$304,909,334
Plan fiduciary net position	<u>(244,232,011)</u>
Employer’s net pension liability	60,677,323
Town’s Proportionate Share (Percentage)	<u>0.666896%</u>
Town’s Proportionate Share (Amount)	<u>\$ 404,655</u>

The net pension liability presented above was not affected by any special funding situations. Changes in the Town’s proportionate share of Plan’s net pension liability and rate during the measure period are provided as follows:

Rate at June 30, 2023	0.743569%
Increase	<u>0.076673%</u>
Rate at June 30, 2024	<u>0.666896%</u>
Beginning Net Pension Liability	\$596,239
Employer Contributions	(94,164)
Pension Expense	
Proportionate Share of Plan Pension Expense	64,652
Changes in Benefit Terms	-
Employee Contributions	<u>(23,562)</u>
Changes in Deferred Outflows of Resources	(98,601)
Changes in Deferred Inflows of Resources	<u>(39,909)</u>
Ending Net Pension Liability	<u>\$404,655</u>

Town of Ferriday  
Notes to the Basic Financial Statements  
June 30, 2025

**Note 9 – Pension Plan (Continued)**

There were no changes between June 30, 2025 and the Plan’s measurement date (June 30, 2024) that are expected to have a significant effect on the Town’s proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>	Net Deferred <u>Resources</u>
Differences between Expected and Actual Experiences	\$ 3,843	\$3,310	\$533
Net Difference Between Projected and Actual Investments Earnings on Pension Plan Investments	14,565	-	14,565
Changes in Assumptions	-	15,063	(15,063)
Changes in Proportion	37,699	35,095	2,604
Employer Contributions Made After Measurement Date	<u>64,028</u>	<u>-</u>	<u>64,028</u>
Total Deferrals	120,135	53,468	66,667
Deferrals that will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>(64,028)</u>	<u>-</u>	<u>(64,028)</u>
Deferral Subject to Amortization	<u>\$56,107</u>	<u>\$53,468</u>	<u>\$2,639</u>

Deferrals that will be amortized as a component of pension expense in future periods are summarized as follows:

<u>Measure Period Ending</u>	
June 30, 2025	\$14,347
June 30, 2026	9,493
June 30, 2027	(12,070)
June 30, 2028	<u>(9,131)</u>
Total	<u>\$ 2,639</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of the measurement date are as follows:

Valuation date	June 30, 2024
Actuarial cost method	Entry age normal
Expected remaining service lives	3 years
Investment rate of return	6.85%, net of pension plan investment expense, including inflation
Inflation rate	2.50%
Salary increases, including inflation and merit increases:	
- 1 to 2 years of service	9.5%
- More than 2 years of service	4.6%

Town of Ferriday  
Notes to the Basic Financial Statements  
June 30, 2025

**Note 8 – Pension Plan (Continued)**

Municipal Employees’ Retirement System of Louisiana (Continued)

Annuitant and beneficiary mortality	PubG-2010(B) Healthy Retiree Table set to equal to 115% for males and females, each adjusting using their respective male and female MP2021 scales.
Employee mortality	PubG-2010(B) Employee Table set equal 115% for males and females, adjusted using their respective male and female MP2021 scales.
Disabled lives mortality	PubNS-2010(B) Disabled Retiree table set equal to 115% for males and females with the full generational MP2021 scale.

The long-term rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding inflation and an adjustment for the effect of rebalancing/diversification.

Best estimates of arithmetic real rates of return for each major asset class included in the System’s target asset allocation as of June 30, 2024, are summarized in the following table:

<u>Asset Class</u>	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public equity	56%	2.44%
Public fixed income	29%	1.26%
Alternatives	<u>15%</u>	<u>0.65%</u>
Totals	<u>100%</u>	4.35%
Inflation		<u>2.50%</u>
Expected Arithmetic Nominal Return		<u>6.85%</u>

The discount rate used to measure the total pension liability was 6.85%. The projection of cash flows used to determine the discount assumed that contributions from plan members will be at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems’ Actuarial Committee. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Town of Ferriday  
Notes to the Basic Financial Statements  
June 30, 2025

**Note 8 – Pension Plan (Continued)**

Municipal Employees’ Retirement System of Louisiana (Continued)

The effects of certain other changes in net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. The effect on net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period.

Sensitivity to changes in the discount has been determined by measuring net pension liability at a discount rate that is one percentage point lower and one percentage point higher than the current rate (assuming all other assumptions remain unchanged). The results are presented as follows:

	1% Decrease	Current Discount Rate	1% Increase
	<u>(5.85%)</u>	<u>(6.85%)</u>	<u>(7.85%)</u>
Net Pension Liability	\$628,337	\$404,655	\$215,608

Municipal Police Employees Retirement System of Louisiana

*Plan Description* – All full-time police department employees engaged in law enforcement are eligible to participate in the System. Any member of the Plan who commenced participation in the Plan before January 1, 2013 is eligible for retirement provided he or she meets one of the following criteria:

1. At any age and has 25 years of creditable service.
2. At age 50 and has 20 years of creditable service.
3. At age 55 and has 12 years of creditable service.

Retirees are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service, not to exceed 100% of their final salary. Final-average salary is the employee’s average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination.

Any member of the Plan who commenced participation in the Plan after January 1, 2024 is eligible for retirement based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for retirement provided he or she meets one of the following conditions:

1. At any age and has 25 years of creditable service.
2. At age 55 and has 12 years of creditable service.

Town of Ferriday  
Notes to the Basic Financial Statements  
June 30, 2025

**Note 8 – Pension Plan (Continued)**

Municipal Police Employees’ Retirement System of Louisiana (Continued)

Under the Non-Hazardous Duty sub plan, a member is eligible for retirement provided he or she meets one of the following conditions:

1. At any age and has 30 years of creditable service.
2. At age 55 and has 25 years of creditable service.
3. At age 60 and have 10 years of creditable service.

Under either sub plan, a member is eligible for early retirement after he or she has been a member of the System with 20 years of creditable service, with an actuarially reduced benefit from age 55. Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are 3% and 2 ½%, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. The System also provides death and disability benefits for all members. Benefits are established or amended by state statute.

*Funding Policy* – Plan members are required by state statute to contribute a percentage of their annual covered salary to the System. The percentage required for the measurement period ending June 30, 2024 is listed below:

Members hired prior to January 1, 2013	10.00%
Hazardous Duty Members hired after January 1, 2013	10.00%
Non-Hazardous Duty Members hired after January 1, 2013	8.00%

The Town is required to contribute at an actuarially determined rate. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town’s contributions to the plan were equal to the required contributions for each of the past three years.

*Financial Summary* – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available stand-alone financial report. The financial report includes information about the plan’s assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at [lampers.org](http://lampers.org). The plans net pension liability was determined at June 30, 2024 (measurement date and actuarial valuation date) and details are provided as follows:

Net pension liability	\$3,750,021,042
Plan fiduciary net position	<u>(2,844,025,169)</u>
Employer’s net pension liability	905,995,873
Town’s Proportionate Share (Percentage)	<u>0.107260%</u>
Town’s Proportionate Share (Amount)	<u>\$ 971,753</u>

Town of Ferriday  
Notes to the Basic Financial Statements  
June 30, 2025

**Note 9 – Pension Plan (Continued)**

Municipal Police Employees’ Retirement System of Louisiana (Continued)

The net pension liability presented above was not affected by any special funding situations. Changes in the Town’s proportionate share of Plan’s net pension liability and rate during the measure period are provided as follows:

Rate at June 30, 2023		0.000000%
Decrease		<u>0.107260%</u>
Rate at June 30, 2024		<u>0.107260%</u>
Beginning Net Pension Liability		\$ -
Employer Contributions		128,272
Pension Expense		
Proportionate Share of Plan Pension Expense	165,318	
Changes in Benefit Terms	-	
Employee Contributions	<u>(27,899)</u>	137,419
Changes in Deferred Outflows of Resources		694,410
Changes in Deferred Inflows of Resources		<u>11,652</u>
Ending Net Pension Liability		<u>\$971,753</u>

There were no changes between June 30, 2025 and the Plan’s measurement date (June 30, 2024) that are expected to have a significant effect on the Town’s proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>	Net Deferred <u>Resources</u>
Differences between Expected and Actual Experiences	\$ 52,613	\$29,396	\$23,217
Net Difference Between Projected and Actual Investments Earnings on Pension Plan Investments	27,014	-	27,014
Changes in Assumptions	-	-	-
Changes in Proportion	684,441	4,356	680,085
Employer Contributions Made After Measurement Date	<u>59,819</u>	<u>-</u>	<u>59,819</u>
Total Deferrals	823,887	33,752	790,135
Deferrals that will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>(59,819)</u>	<u>-</u>	<u>(59,819)</u>
Deferral Subject to Amortization	<u>\$764,068</u>	<u>\$33,752</u>	<u>\$730,316</u>

Town of Ferriday  
Notes to the Basic Financial Statements  
June 30, 2025

**Note 9 – Pension Plan (Continued)**

Municipal Police Employees’ Retirement System of Louisiana (Continued)

Deferrals that will be amortized as a component of pension expense in future periods are summarized as follows:

<u>Measure Period Ending</u>	
June 30, 2025	\$228,787
June 30, 2026	323,317
June 30, 2027	195,240
June 30, 2028	<u>(17,028)</u>
Total	<u>\$730,316</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of the measurement date are as follows:

	June 30, 2024
Valuation date	
Actuarial cost method	Entry age normal cost
Investment rate of return	6.75%
Expected remaining service lives	4 years
Inflation rate	2.50%
Salary increases:	
- 1 to 2 years of service	12.30%
- More than 2 years of service	4.70%
Mortality	For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using MP2019 scale was used.
	For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.
	For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.

Town of Ferriday  
Notes to the Basic Financial Statements  
June 30, 2025

**Note 9 – Pension Plan (Continued)**

Municipal Police Employees’ Retirement System of Louisiana (Continued)

<p>Cost of Living Adjustments</p>	<p>The present value of future retirement Benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.</p>
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The best estimates of the arithmetic nominal rates of return for each major asset class included in the System’s target allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	Long-Term Target Asset Allocation	Expected Portfolio Real Rate of Return
Equity	52.00%	3.14%
Fixed income	34.00%	1.07%
Alternatives	<u>14.00%</u>	<u>1.03%</u>
Totals	<u>100.00%</u>	5.24%
Inflation		<u>2.62%</u>
Expected Arithmetic Nominal Return		<u>7.86%</u>

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System’s actuary. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2009 through June 30, 2014 and review of similar law enforcement mortality. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System’s liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The results of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

Sensitivity to changes in the discount has been determined by measuring net pension liability at a discount rate that is one percentage point lower and one percentage point higher than the current rate. The results are presented as follows:

	1% Decrease	Current Discount Rate	1% Increase
Net Pension Liability	<u>(5.75%)</u> \$1,443,515	<u>(6.75%)</u> \$971,753	<u>(7.75%)</u> \$577,923

Town of Ferriday  
Notes to the Basic Financial Statements  
June 30, 2025

**Note 10 – Transfers**

<u>Transfers In/(Out)</u>	<u>Amount</u>
General	(\$12,546)
Street Bond	(282)
LCDBG Water	(3,090)
Water	47,625
Sewer	<u>(31,707)</u>
Total	\$ -

The transfers were made to pay other fund expenses.

**Note 11 – Elected Officials Salaries**

<u>Name</u>	<u>Title</u>	<u>Term</u>	<u>Annual Salary</u>
Alvin Garrison	Mayor	7/1/2024-6/30/2028	\$44,000
Dra'Carl Walker	Alderman	7/1/2024-6/30/2028	\$6,600
Devonte M Schiele	Alderman	7/1/2024-6/30/2028	\$6,700
Sandra "Gail" Pryor	Alderdwoman	7/1/2024-6/30/2028	\$6,700
Andre Keys	Alderman	7/1/2024-6/30/2028	\$6,600
Gloria Lloyd	Alderdwoman	7/1/2024-6/30/2028	\$6,700

Council is paid \$500 for each regular meetings and \$100 for each special meetings.

**Note 12 – Utility Rates**

Rate Schedule:

Water	Residential - \$57.00 for the 1st 2,000 gal., \$7.00 per 1,000 thereafter Commercial - \$128.00 for the 1st 2,000 gal., \$7.00 per 1,000 thereafter Nonresidential - \$57.00 for the 1st 2,000 gal., \$7.00 per 1,000 thereafter
Sewer	Residential \$17.50 for the 1st 2,000 gal., \$2.50 per 1,000 thereafter Commercial \$50.00 for the 1st 2,000 gal., \$2.50 per 1,000 thereafter Prison \$300.00 for the 1st 2,000 gal., \$0.30 per 1,000 thereafter
Garbage	Residential \$15.00 flat fee Commercials \$22.00 flat fee

The Town of Ferriday Enterprise Fund has the following rates:

Tap Fee (Water or Sewer)	\$750
Residential Water Deposit	\$100
Commercial Water Deposit	\$150
Connection Fee	\$105
Reconnect Fee	\$105
Tamper Fee	\$105
Transfer Fee	\$20
NSF Fee	\$30

Town of Ferriday  
Notes to the Basic Financial Statements  
June 30, 2025

**Note 13 - Insurance**

<u>Type</u>	<u>Agency</u>	<u>Coverage</u>	<u>Date Expired</u>
General Liability	Davis Insurance Agency, LLP		07/10/25
General aggregate		\$2,000,000	
Each occurrence limit		\$1,000,000	
Personal injury		\$1,000,000	
Damages to premises rented		\$100,000	
Products – comp/op		\$2,000,000	
Sewage Backup		\$250,000	
Workmen’s Compensation	Davis Insurance Agency, LLP		12/17/25
Each accident		\$100,000	
Disease – each employee		\$100,000	
Disease – policy limit		\$500,000	
Auto Liability	Davis Insurance Agency, LLP		03/12/26
Liability		\$500,000	
Physical damage		\$305,306	
Public Official & Employment			
Practices Liability	Davis Insurance Agency, LLP		07/10/26
Public officials liability		\$1,000,000	
Non-monetary – defense only		\$50,000	
Max defense		\$100,000	
Emplmt practices liability		\$1,000,000	
Aggregate		\$1,000,000	
Public officials crisis management		\$25,000	
Police Professional	Davis Insurance Agency, LLP		07/10/26
Law enforcement/occurrence		\$1,000,000	
Aggregate		\$1,000,000	
Property Insurance	Davis Insurance Agency, LLP		07/01/26
Various amounts depending on building and location			

**Note 14 – Subsequent Events**

Management has evaluated events and transactions subsequent to the Statement of Net Position date through December 31, 2025, of the independent auditors’ report for potential recognition or disclosure in the financial statements.

**Required Supplementary Information**

Town of Ferriday, Louisiana  
Statement of Revenues, Expenditures Changes in Fund Balance  
Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2025

	Budget Amounts		Actual	Variances
	<u>Original</u>	<u>Final</u>	Budgetary Basis	Favorable (Unfavorable)
<b>Revenues</b>				
Fees & Charges	\$ 175,000	\$ 175,000	\$ 166,601	\$ (8,399)
Taxes	1,787,000	1,787,000	1,402,005	(384,995)
Licenses & Permits	75,000	75,000	39,649	(35,351)
Fines	200,000	200,000	255,381	55,381
Interest Income	350	350	991	641
Reimbursements	-	-	-	-
Capital Grants	-	-	381,200	381,200
Other General Revenue	<u>65,000</u>	<u>65,000</u>	<u>50,219</u>	<u>(14,781)</u>
<b>Total Revenues</b>	<b>2,302,350</b>	<b>2,302,350</b>	<b>2,296,046</b>	<b>6,304</b>
<b>Expenditures</b>				
General & Administrative	2,444,300	2,444,300	951,887	1,492,413
Public Safety:				
Fire	-	-	172,931	(172,931)
Police	5,000	5,000	959,580	(954,580)
Street	-	-	290,076	(290,076)
Sanitation	250,000	250,000	322,456	(72,456)
Recreation	-	-	6,514	(6,514)
Debt Service	-	-	-	-
Capital Outlay	<u>25,000</u>	<u>25,000</u>	<u>53,500</u>	<u>(28,500)</u>
<b>Total Expenditures</b>	<b>2,724,300</b>	<b>2,724,300</b>	<b>2,756,944</b>	<b>(32,645)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(421,950)	(421,950)	(460,898)	(26,342)
<b>Other Financing Sources (Uses)</b>				
Transfers In/(Out)	<u>421,950</u>	<u>421,950</u>	<u>31,156</u>	<u>390,794</u>
<b>Total Other Financing Sources (Uses)</b>	<b>421,950</b>	<b>421,950</b>	<b>31,156</b>	<b>390,794</b>
<b>Net Change in Fund Balance</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b>(429,742)</b>	<b><u>\$ 364,452</u></b>
Fund Balance - Beginning			<u>101,415</u>	
Fund Balance - Ending			<u>\$ (328,327)</u>	

Town of Ferriday, Louisiana  
 Schedule of Town's Proportionate Share of the Net Position Liability  
 Louisiana Municipal Employees' Retirement System

<u>Year</u>	<u>Town's Proportion of the Net Pension Liability</u>	<u>Town's Proportionate Share of the Net Pension Liability</u>	<u>Town's Covered-Payroll</u>	<u>Town's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered-Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2016	0.52%	\$ 351,613	\$ 237,395	148.11%	68.71%
2017	0.32%	\$ 267,850	\$ 412,990	64.86%	63.34%
2018	0.56%	\$ 481,404	\$ 386,898	124.43%	63.49%
2019	0.52%	\$ 438,208	\$ 377,281	116.15%	65.60%
2020	0.50%	\$ 440,818	\$ 374,793	117.62%	66.14%
2021	0.49%	\$ 441,603	\$ 424,326	104.07%	66.26%
2022	0.55%	\$ 318,992	\$ 547,186	58.30%	79.14%
2023	0.59%	\$ 514,603	\$ 638,200	80.63%	69.56%
2024	0.74%	\$ 596,239	\$ 607,517	98.14%	73.25%
2025	0.67%	\$ 404,655	\$ 413,084	97.96%	80.10%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 - year trend is compiled, governments should present information for those years for which information is available.

Town of Ferriday, Louisiana  
 Schedule of Town's Proportionate Share of the Net Position Liability  
 Louisiana Municipal Police Employees' Retirement System

<u>Year</u>	<u>Town's Proportion of the Net Pension Liability</u>	<u>Town's Proportionate Share of the Net Pension Liability</u>	<u>Town's Covered-Payroll</u>	<u>Town's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered-Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2019	0.01%	\$ 101,001	\$ 35,260	286.45%	71.89%
2020	0.01%	\$ 161,845	\$ 55,712	290.50%	71.01%
2021	0.01%	\$ 168,996	\$ 7,048	2397.79%	70.94%
2022	0.01%	\$ 12,314	\$ -	0.00%	84.09%
2023	0.00%	\$ -	\$ 64,263	0.00%	70.80%
2024	0.00%	\$ -	\$ 323,080	0.00%	71.30%
2025	0.11%	\$ 971,753	\$ 176,327	551.11%	75.84%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 - year trend is compiled, governments should present information for those years for which information is available.

Town of Ferriday, Louisiana  
Schedule of Town's Contributions  
Louisiana Municipal Employees' Retirement System

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contribution as a Percentage of Covered Payroll</u>
2016	\$ 22,553	\$ (22,553)	\$ -	\$ 237,395	9.50%
2017	\$ 45,428	\$ (45,428)	\$ -	\$ 412,990	11.00%
2018	\$ 51,264	\$ (51,264)	\$ -	\$ 386,898	13.25%
2019	\$ 52,819	\$ (52,819)	\$ -	\$ 377,281	14.00%
2020	\$ 53,930	\$ (53,930)	\$ -	\$ 374,793	14.39%
2021	\$ 53,477	\$ (53,477)	\$ -	\$ 441,603	12.11%
2022	\$ 73,970	\$ (67,249)	\$ 6,722	\$ 547,186	13.52%
2023	\$ 130,831	\$ (101,008)	\$ 29,823	\$ 638,200	20.50%
2024	\$ 124,709	\$ (124,709)	\$ -	\$ 607,517	20.53%
2025	\$ 87,033	\$ (73,412)	\$ 13,621	\$ 413,084	21.07%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 - year trend is compiled, governments should present information for those years for which information is available.

Town of Ferriday, Louisiana  
 Schedule of Town's Contributions  
 Louisiana Municipal Police Employees' Retirement System

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>			<u>Employer's Covered Payroll</u>	<u>Contribution as a Percentage of Covered Payroll</u>
		<u>Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Contribution</u>		
2019	\$ 14,640	\$ (14,640)	\$ -	\$ 45,312	32.31%	
2020	\$ 14,613	\$ (16,237)	\$ 1,624	\$ 45,360	32.22%	
2021	\$ 18,398	\$ (18,398)	\$ -	\$ 7,048	261.04%	
2022	\$ -	\$ -	\$ -	\$ -	0.00%	
2023	\$ 11,876	\$ (13,746)	\$ (1,870)	\$ 64,263	18.48%	
2024	\$ 141,913	\$ (129,996)	\$ 11,917	\$ 323,080	43.93%	
2025	\$ 78,542	\$ (83,650)	\$ (5,108)	\$ 176,327	44.54%	

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 - year trend is compiled, governments should present information for those years for which information is available.

Town of Ferriday  
Notes to Required Supplementary Information  
June 30, 2025

**Note A - Basis of Presentation**

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the GAAP basis, and variances between the final budget and the actual data.

**Note B - Budget Amendments and Revisions**

The budget is adopted by the Town Council. Amendments can be made on the approval of the Town Council. A budgetary comparison is presented for the General Fund and each major special revenue fund consistent with accounting principles generally accepted in the United States of America.

**Note C - Retirement Systems**

Municipal Employees' Retirement System

*Changes of benefit terms* – There were no changes of benefit terms for either plan.

*Changes of assumptions:*

Year Ended <u>June 30,</u>	Measurement <u>Date</u>	Investment		Inflation <u>Rate</u>	Expected Remaining <u>Service Lives</u>	Projected Salary Increase	
		Discount <u>Rate</u>	Rate of <u>Return</u>			Lower <u>Range</u>	Upper <u>Range</u>
2016	2015	7.500%	7.500%	2.875%	3	-	5.00%
2017	2016	7.500%	7.500%	2.875%	3	-	5.00%
2018	2017	7.400%	7.400%	2.775%	3	-	5.00%
2019	2018	7.275%	7.275%	2.600%	3	-	5.00%
2020	2019	7.000%	7.000%	2.500%	3	4.50%	6.40%
2021	2020	6.950%	6.950%	2.500%	3	4.50%	6.40%
2022	2021	6.850%	6.850%	2.500%	3	4.90%	7.40%
2023	2022	6.850%	6.850%	2.500%	3	4.90%	7.40%
2024	2023	6.850%	6.850%	2.500%	3	4.90%	7.40%
2025	2024	6.850%	6.850%	2.500%	3	4.60%	9.50%

Town of Ferriday  
Notes to Required Supplementary Information  
June 30, 2025

**Note D - Retirement Systems (Continued)**

Municipal Police Employees' Retirement System

*Changes of benefit terms* – There were no changes of benefit terms for either plan.

*Changes of assumptions:*

Year Ended <u>June 30,</u>	Measurement <u>June 30,</u>	Investment		Inflation <u>Rate</u>	Expected Remaining <u>Service Lives</u>	Projected Salary Increase	
		Discount <u>Rate</u>	Rate of <u>Return</u>			Lower <u>Range</u>	Upper <u>Range</u>
2019	2018	7.200%	7.200%	2.600%	4	4.25%	9.75%
2020	2019	7.125%	7.125%	2.500%	4	4.25%	9.75%
2021	2020	6.950%	6.950%	2.500%	4	4.70%	12.30%
2022	2021	6.750%	6.750%	2.500%	4	4.70%	12.30%
2023	2022	6.750%	6.750%	2.500%	4	4.70%	12.30%
2024	2023	6.750%	6.750%	2.500%	4	4.70%	12.30%
2025	2024	6.750%	6.750%	2.500%	4	4.70%	12.30%

**Other Supplementary Information**

Town of Ferriday, Louisiana  
Schedule of Compensation, Benefits, and Other Payments to Mayor Alvin Garrison  
For the Year Ended June 30, 2025

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 44,000
Travel Reimbursements	1,618
Benefits-Retirement	<u>4,028</u>
Total	<u>\$ 49,646</u>

Town of Ferriday, Louisiana  
Justice System Funding Schedule - Collecting/Disbursing Entity  
For the Year Ended June 30, 2025

	First Six Months Ended <u>12/31/2024</u>	Second Six Months Ended <u>06/30/2025</u>
Beginning Balance of Amounts Collected	\$ 63,685	\$ 64,296
Add: Collections		
Criminal Court Costs/Fees	-	-
Criminal Fines - Contempt	-	-
Criminal Fines - Ticket Fines and Summons	<u>101,838</u>	<u>153,543</u>
Subtotal Collections	101,838	153,543
Less: Disbursements to Governments & Nonprofits		
LA Judicial College	-	178
LA Traumatic Head & Spinal Cord Injury Trust Fund	-	-
Bond Forfeitures & Fees Collected Central LA Juvenile Detention Facility	-	390
CMIS Trial Court Case Management Information System	-	-
LA Commission Law Enforcement Transmittal of Statutory Dedicated Funds	-	348
North Louisiana Criminalist Lab	-	3,690
Less: Amounts Retained by the Town of Ferriday		
Self Disbursed Court Cost	101,227	152,058
Subtotal Disbursements/Retainage	<u>101,227</u>	<u>156,664</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ 64,296</u>	<u>\$ 61,175</u>

## **Other Information**

Town of Ferriday  
Schedule of Number of Utility Customers  
June 30, 2025

Records maintained by the Town indicated the following number of customers were being serviced during the month of June 2025.

<u>Department</u>	<u>Customers</u>
Water	1,276
Sewer	994
Garbage	888

**Reports on Internal Control, Compliance, and Other Matters**



**Independent Auditors' 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 Alvin Garrison, Mayor  
and Members of the Town Council  
Ferriday, 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, each major fund, and the aggregate remaining fund information of Town of Ferriday, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Town of Ferriday basic financial statements and have issued our report thereon dated December 31, 2025. Our report disclaims an opinion on such financial statements because of lack of documentation and support for various numbers on the financial statements.

**Report on Internal Control Over Financial Reporting**

In connection with our engagement to audit the financial statements of Town of Ferriday, we considered Town of Ferriday's internal control over financial reporting (internal control) as a basis for designing 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 Town of Ferriday's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Ferriday's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as item 2025-002 as a material weakness.

**Report on Compliance and Other Matters**

In connection with our engagement to audit the financial statements of Town of Ferriday, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings as item 2025-001. Additionally, if the scope of our work had been sufficient to enable us to express opinions on the basic financial statements, other instances of noncompliance or other matters may have been identified and reported herein.

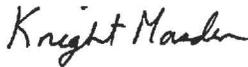
5615 J Jackson Street  
Alexandria, Louisiana 71303  
PH: 318-445-9334  
FAX: 318-445-0996  
www.knightmasden.com

### **The Town of Ferriday's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Town of Ferriday's response to the findings identified in our engagement and described in the accompanying schedule of findings and questioned costs. Town of Ferriday's response was not subjected to the other auditing procedures applied in the engagement to audit 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. However, this report is a public document, and its distribution is not limited.



KnightMasden  
Alexandria, Louisiana  
December 31, 2025

Town of Ferriday  
Schedule of Findings  
For the Year Ended June 30, 2025

**A. Summary of Auditors' Results**

*Financial Statements*

- |  |             |
|--|-------------|
| 1. Type of auditors' report  | Unqualified |
| 2. Internal control over financial reporting:                            |             |
| a. Material weakness identified?   | Yes         |
| b. Significant deficiencies identified not considered material weakness? | None noted  |
| c. Noncompliance material to the financial statements noted?             | Yes         |

Town of Ferriday  
Schedule of Findings  
For the Year Ended June 30, 2025

**B. Findings – Financial Statement Audit**

INTERNAL CONTROL AND COMPLIANCE FINDING

**2025-001 Ticket Sharing Fees**

Type – Compliance

Condition – The Town did not remit the funds due to the various judicial and law enforcement agencies for the charges/tickets paid during the year.

Criteria – Various laws require the Town to remit funds to various judicial and law enforcement agencies based on the charges/tickets collected.

Cause – The Town has not remitted the ticket sharing fees on collections after September 2021.

Effect – The Town is not in compliance with various laws.

Recommendation – The Town should prepare the calculation forms for the various agencies and develop a payment plan to get caught up on the fees due.

Response – See Management’s Corrective Action Plan.

**2025-002 Inadequate Controls over Utility Disconnects**

Type – Internal Control, Material Weakness

Condition – The Town did not follow its established policies and procedures for utility collections by disconnecting service to customers due to nonpayment of their utility bills. Providing utility services without receiving payment could be considered a violation of Article VII Section 14 of the Louisiana Constitution.

Criteria – Providing utility services without receiving payment could be considered a violation of Article VII Section 14 of the Louisiana Constitution.

Cause – The Town did not have adequate policies and procedures to adhere to their established policies and procedures for utility collections.

Effect – The Town allowed for continued services to accounts beyond their established disconnect date, which significantly increased the dollar amount writeoff during the fiscal year. Providing utility services without receiving payment could be considered a violation of Article VII Section 14 of the Louisiana Constitution.

Recommendation – The Town should schedule a meeting with the third party hired to provide collection and account maintenance of the utility systems to discuss the current situation.

Response – See Management’s Corrective Action Plan.

Town of Ferriday  
Management's Corrective Action  
For the Year Ended June 30, 2025

**2025-001 Ticket Sharing Fees**

Recommendation – The Town should prepare the calculation forms for the various agencies and develop a payment plan to get caught up on the fees due.

Response – The Records Clerk as of July 1, 2024 has caught up the preparation and payment of all ticket costs not handled by prior administration. As of December 31, 2025 all back ticket reports have been filed and paid.

Anticipated Implementation Date – July 1, 2024

Contact Person – Rebecca Brown, Town Clerk

**2024-006 Inadequate Controls over Utility Disconnects**

Recommendation – The Town should schedule a meeting with the third party hired to provide collection and account maintenance of the utility systems to discuss the current situation.

Response – The current administration took office July 1, 2024. A meeting will be scheduled with the third party contractor hired for utility collections and account maintenance. The administration will discuss the cut-off procedures and a solution to get the overdue collections in line.

Anticipated Implementation Date – February 23, 2025

Contact Person – Rebecca Brown, Town Clerk

Town of Ferriday  
Summary of Prior Year Auditing Findings  
For the Year Ended June 30, 2025

**2024-001 Documentation**

Condition – The Town could not locate documentation to support various numbers on the financial statements.

Criteria – Town is required to maintain documentation according to their document retention schedule. LSA-RS 44:412 requires all agencies to establish and maintain an active, continuing program for management of agency records.

Cause – The Town could not supply the auditor documentation related to franchise tax receivables, contracts for services, grant agreements, invoices or similar documentation on expenditures, rental income, and grant tracking.

Effect – Violating document retention requirements.

Status - Resolved

**2024-002 Council Meeting Minutes**

Type – Compliance

Condition – Minutes of several council meetings from July 1, 2023, through June 30, 2024 could not be produced.

Criteria – The Town is required to keep written minutes of all open meetings to comply with Open Meetings Law.

Cause – The only minutes that the Town was able to produce were the minutes for the January 26, 2022 council meeting.

Effect – Violating Open Meetings Law.

Status –Resolved.

**2024-003 Ticket Sharing Fees**

Type – Compliance

Condition – The Town did not remit the funds due to the various judicial and law enforcement agencies for the charges/tickets paid during the year.

Criteria – Various laws require the Town to remit funds to various judicial and law enforcement agencies based on the charges/tickets collected.

Cause – The Town has not remitted the ticket sharing fees on collections after September 2021.

Effect – The Town is not in compliance with various laws.

Status – Not Resolved, see current year finding 2025-001.

**2024-004 Annual Filing of Financial Statements**

Type – Compliance

Condition – The Town did not file their financial statements with the Legislative Auditor on a timely basis.

Criteria – Several state statues, require that governmental units file their financial statements annually with the Legislative Auditor's Office within six months of the entity's year end closing date.

Town of Ferriday  
Summary of Prior Year Auditing Findings  
For the Year Ended June 30, 2025

Cause – Not having the financial statements completed on time.

Effect – The Town is not in compliance with various laws and funding could be withheld.

Status – Resolved.

**2024-005 Customer Utility Deposits**

Type – Compliance

Condition – The Town’s bank account that holds utility deposits is less than the schedule of utility customer deposits.

Criteria – The Town is required to hold funds for utility deposits from customers in a separate account.

Cause – The Town deposited money collected from customers for utility deposits into the incorrect bank account.

Effect – The Town does not have enough money set aside to cover all customer utility deposits.

Status – Resolved.

**2024-006 Inadequate Controls over Utility Disconnects**

Type – Compliance

Condition – The Town did not follow its established policies and procedures for utility collections by disconnecting service to customers due to nonpayment of their utility bills. Providing utility services without receiving payment could be considered a violation of Article VII Section 14 of the Louisiana Constitution.

Criteria – Providing utility services without receiving payment could be considered a violation of Article VII Section 14 of the Louisiana Constitution.

Cause – The Town did not have adequate policies and procedures to adhere to their established policies and procedures for utility collections.

Effect – The Town allowed for continued services to accounts beyond their established disconnect date, which significantly increased the dollar amount write off during the fiscal year. Providing utility services without receiving payment could be considered a violation of Article VII Section 14 of the Louisiana Constitution.

Status – Not Resolved, see current year finding 2025-002.

**2024-007 Bond Covenants**

Type – Compliance

Condition – The Town is not depositing the correct amount of funds in the required bank accounts to meet bond requirements.

Criteria – The Town is required to deposit a specified amount in various bank accounts to meet bond requirements.

Cause – The Town should be depositing \$441 into a contingency account monthly and no deposits were made during the year.

Effect – Violating bond requirements.

Status – Resolved.



**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of Town of Ferriday and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2024 through June 30, 2025. Town of Ferriday's management is responsible for those C/C areas identified in the SAUPs.

Town of Ferriday 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 July 1, 2024 through June 30, 2025. 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.

The procedures and associated findings are as follows:

**1) Written Policies and Procedures**

A. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

i. Budgeting, including

a. preparing,

*Policy is present in the written policies and procedures manual.*

b. adopting,

*Policy is present in the written policies and procedures manual.*

c. monitoring, and

*Policy is present in the written policies and procedures manual.*

d. amending the budget.

*Policy is present in the written policies and procedures manual.*

ii. Purchasing, including

a. how purchases are initiated,

*Policy is present in the written policies and procedures manual.*

b. how vendors are added to the vendor list,

*Policy is present in the written policies and procedures manual.*

c. the preparation and approval process of purchase requisitions and purchase orders,

*Policy is present in the written policies and procedures manual.*

d. controls to ensure compliance with the Public Bid Law, and

*Policy is present in the written policies and procedures manual.*

e. documentation required to be maintained for all bids and price quotes.

*Policy is present in the written policies and procedures manual.*

iii. Disbursements, including

a. processing,

*Policy is present in the written policies and procedures manual.*

b. reviewing, and

*Policy is present in the written policies and procedures manual.*

c. approving

*Policy is present in the written policies and procedures manual.*

iv. Receipts/Collections, including

a. receiving,

*Policy is present in the written policies and procedures manual.*

b. recording, and

*Policy is present in the written policies and procedures manual.*

c. preparing deposits

*Policy is present in the written policies and procedures manual.*

d. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

*Policy is present in the written policies and procedures manual.*

v. Payroll/Personnel, including

a. payroll processing,

*Policy is present in the written policies and procedures manual.*

b. reviewing and approving time and attendance records, including leave and overtime worked, and

*Policy is present in the written policies and procedures manual.*

c. approval process for employee rates of pay or approval and maintenance of pay rate schedules.

*Policy is present in the written policies and procedures manual.*

vi. Contracting, including

a. types of services requiring written contracts,

*Policy is present in the written policies and procedures manual.*

b. standard terms and conditions,

*Policy is present in the written policies and procedures manual.*

c. legal review,

*Policy is present in the written policies and procedures manual.*

d. approval process, and

*Policy is present in the written policies and procedures manual.*

e. monitoring process

*Policy is present in the written policies and procedures manual.*

vii. Travel and expense reimbursement, including

a. allowable expenses,

*Policy is present in the written policies and procedures manual.*

b. dollar thresholds by category of expense,

*Policy is present in the written policies and procedures manual.*

c. documentation requirements, and

*Policy is present in the written policies and procedures manual.*

d. required approvers.

*Policy is present in the written policies and procedures manual.*

viii. Credit Cards (and debit cards, fuel cards, purchase cards, if applicable), including

a. how cards are to be controlled,

*Policy is not present in the written policies and procedures manual.*

b. allowable business uses,

*Policy is not present in the written policies and procedures manual.*

c. documentation requirements,

*Policy is not present in the written policies and procedures manual.*

- d. required approvers of statements, and

*Policy is not present in the written policies and procedures manual.*

- e. monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

*Policy is not present in the written policies and procedures manual.*

ix. Ethics, including

- a. the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121,

*Policy is present in the written policies and procedures manual.*

- b. actions to be taken if an ethics violation takes place,

*Policy is present in the written policies and procedures manual.*

- c. system to monitor possible ethics violations, and

*Policy is present in the written policies and procedures manual.*

- d. a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

*Policy is present in the written policies and procedures manual.*

x. Debt Service, including

- a. debt issuance approval,

*Policy is present in the written policies and procedures manual.*

- b. continuing disclosure/EMMA reporting requirements,

*Policy is present in the written policies and procedures manual.*

- c. debt reserve requirements, and

*Policy is present in the written policies and procedures manual.*

d. debt service requirements.

*Policy is present in the written policies and procedures manual.*

xi. Information Technology Disaster Recovery/Business Continuity, including

a. identification of critical data and frequency of data backups,

*Policy is not present in the written policies and procedures manual.*

b. storage of backups in a separate physical location isolated from the network,

*Policy is not present in the written policies and procedures manual.*

c. periodic testing/verification that backups can be restored,

*Policy is not present in the written policies and procedures manual.*

d. use of antivirus software on all systems,

*Policy is not present in the written policies and procedures manual.*

e. timely application of all available system and software patches/updates, and

*Policy is not present in the written policies and procedures manual.*

f. identification of personnel, processes, and tools needed to recover operations after a critical event.

*Policy is not present in the written policies and procedures manual.*

xii. Prevention of Sexual Harassment, including R.S. 42:342-344 requirements for

a. agency responsibilities and prohibitions,

*Policy is present in the written policies and procedures manual.*

b. annual employee training,

*Policy is present in the written policies and procedures manual.*

c. annual reporting.

*Policy is not present in the written policies and procedures manual.*

*Management's Response to Section Findings: The current administration is reviewing the policies and procedures manual and will take these findings into account.*

**2) Board or Finance Committee**

A. 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:

- i. 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.

*Council met on at least a monthly basis and minutes were provided.*

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternatively for those entities reporting on the nonprofit 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.

*No reference to monthly budget-to-actual comparisons in the minutes.*

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

*Unassigned fund balance in the general fund was positive on the prior year audit report.*

- iv. 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.

*Prior year audit was not completed until after year end, so findings could not be discussed.*

*Management's Response to Section Findings: Regarding the finding in A(iii), the monthly financial statements are discussed at the meeting but the discussions were not documented. The Town will start documenting those discussions.*

### **3) Bank Reconciliations**

- A. Obtain a listing of entity 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 each selected account, and observe that:

*Listing obtained and client represented that it was complete.*

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

*All reconciliations were prepared within 2 months of related statement closing date.*

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

*The reconciliations do not include written evidence that a person who is not involved in the cash receipts or cash disbursements process has reviewed the reconciliation.*

- iii. 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.

*Of the five bank reconciliations reviewed, three had outstanding items over 12 months. There was no evidence that the outstanding items over 12 months were researched.*

*Management's Response to Section Findings: The current administration is in the process of establishing procedures to meet best practices.*

### **4) Collections (excluding electronic funds transfers)**

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

*Listing obtained and client represented that it was complete.*

B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- i. Employees responsible for cash collections do not share cash drawers/registers;

*Employees do not share cash drawers/registers.*

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

*Employee responsible for collecting cash is not responsible for preparing bank deposits.*

- iii. Each employee responsible for collecting cash is not also 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; and

*Employee responsible for collecting cash is not responsible for posting collection entries to the general ledger.*

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

*Employee responsible for reconciling cash collections to the general ledger is not responsible for collecting cash.*

C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was in force during the fiscal period.

*Copies of bond or insurance policy covering theft was not provided.*

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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 a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.

*Pre-numbered receipts are not being utilized for all collections.*

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

*Documentation was present for all deposits that were not transfers between accounts.*

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

*Deposits slips were traced to the actual bank statement for all deposits that were not transfers between accounts.*

- iv. 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 and the cash is stored securely in a locked safe or drawer).

*Receipts were made within 1 business day for the deposits that were provided.*

- v. Trace the actual deposit per the bank statement to the general ledger.

*Deposits were traced from the bank statements to the general ledger.*

*Management's Response to Section Findings: The current administration is in the process of establishing procedures to meet best practices.*

**5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)**

- A. 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).

*Listing obtained and client represented that it was complete.*

B. For each location selected under #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

*Two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.*

- ii. At least two employees are involved in processing and approving payments to vendors;

*Two employees are involved in processing and approving payments to vendors.*

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

*The employee responsible for processing payments is not prohibited from adding/modifying vendor files.*

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

*Employee/official responsible for signing checks does not mail the payments or give the signed checks to an employee to mail who is not responsible for processing payments.*

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

*Employee/official responsible for signing checks does not mail the payments or give the signed checks to an employee to mail who is not responsible for processing payments*

C. For each location selected under #5A 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

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity, and

*Documentation was provided on disbursements tested.*

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B above, as applicable.

*No written evidence of segregation of duties.*

- D. 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 operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

*No documentation was provided on transactions tested.*

*Management's Response to Section Findings: The current administration is in the process of establishing procedures to meet best practices.*

#### **6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)**

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.

*Listing obtained and client represented that it was complete.*

- B. 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
  - i. Observe whether 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) were reviewed and approved, in

writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

*No written evidence that statement was reviewed and approved.*

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

*No finance charges were on selected statement.*

- C. Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to inspection). 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). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

*Client only utilized fuel cards during the period.*

*Management’s Response to Section Findings: The current administration is in the process of establishing procedures to meet best practices.*

#### **7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

- A. 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 and 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:

*Listing obtained and client represented that it was complete.*

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

*Three reimbursements tested used the state established per diem rate.*

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

*Two reimbursements tested that used actual costs, were for mileage and documentation identified the purpose of the trip.*

- iii. 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 Policies and Procedures procedure #1A(vii); and

*Purpose of travel was documented on all items tested.*

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*Reimbursements tested were reviewed and approved in writing by someone other than the person receiving the reimbursement.*

*Management's Response to Section Findings: No exceptions noted.*

## **8) Contracts**

- A. 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

*No contracts could be provided*

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

*No contracts could be provided.*

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

*No contracts could be provided.*

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

*No contracts could be provided.*

- iv. 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.

*No contracts could be provided.*

*Management's Response to Section Findings: The current administration is in the process of establishing procedures to meet best practices.*

## **9) Payroll and Personnel**

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

*Listing obtained and client represented that it was complete.*

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

*Daily attendance and leave was documented for all items tested.*

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

*Daily attendance and leave was not approved by the supervisors for all items tested.*

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

*Leave accrued or taken during the pay period is reflected in the cumulative leave records.*

- iv. Observe the rate paid to employees or officials agree to the authorized salary/pay rate found within the personnel file.

*Authorized salary/pay rates could not be found within the personnel files.*

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave record, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

*Listing obtained and client represented that it was complete. Hours paid on the termination checks paid agreed to the documentation. Authorized salary/pay rates could not be found within the personnel files.*

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

*Client represented that all payroll related amounts have been paid and forms filed by required deadlines.*

*Management's Response to Section Findings: The current administration is in the process of establishing procedures to meet best practices.*

## **10) Ethics**

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
  - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

*No ethics training documentation could be provided.*

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

*No ethics training could be provided.*

- B. Inquired and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

*No ethics designee has been appointed.*

*Management's Response to Section Findings: The current administration is in the process of establishing procedures to meet best practices.*

### **11) Debt Service**

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

*Listing obtained and client represented that it was complete. All debt instruments were approved by the State Bond Commission.*

- B. 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 (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

*Listing obtained and client represented that it was complete. Bond covenants were met on bonds tested.*

*Management's Response to Section Findings: No exceptions noted.*

### **12) Fraud Notice**

- A. 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 as required by R.S. 24:523.

*None noted.*

- B. 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.

*Yes.*

*Management's Response to Section Findings: No findings*

### **13) Information Technology Disaster Recovery/Business Continuity**

- A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if 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.*

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then 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.*

- iii. 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. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

*We performed the procedure and discussed the results with management.*

*Management's Response to Section Findings: The current administration is in the process of establishing procedures to meet best practices.*

### **14) Prevention of Sexual Harassment**

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

*No documentation of sexual harassment training could be provided.*

- B. 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).

*Sexual harassment policy not posted on website or premises.*

- C. 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 that the report includes the applicable requirements of R.S. 42:344:

*No report was prepared.*

- i. Number and percentage of public servants in the agency who have completed the training requirements;

*No report was prepared.*

- ii. Number of sexual harassment complaints received by the agency;

*No report was prepared.*

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

*No report was prepared.*

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

*No report was prepared.*

- v. Amount of time it took to resolve each complaint.

*No report was prepared.*

*Management's Response to Section Findings: The current administration is in the process of establishing procedures to meet best practices.*

We were engaged by Town of Ferriday 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 Town of Ferriday 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.

*Knight Masden*

**KnightMasden**  
Alexandria, Louisiana  
December 31, 2025