

TOWN OF DELHI
DELHI, LOUISIANA

Financial Report
For the Year Ended September 30, 2025



TOWN OF DELHI, LOUISIANA
FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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INDEPENDENT AUDITORS' REPORT

Honorable Jesse Washington, Mayor
Members of the Town Council
Town of Delhi, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Delhi, Louisiana (the Town), as of and for the year ended September 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, business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of September 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 judgement 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 the management's discussion and analysis on pages 4-13, budgetary comparison information on pages 57-58, Schedule of Proportionate Share of Net Pension Liability on page 59 and Schedule of the Employer's Pension Contribution on page 60, 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

Honorable Jesse Washington, Mayor
Members of the Town Council
Town of Delhi, Louisiana

the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head, Schedule of Compensation Paid to Council Members, Receiving Entity Schedule as Required by Act 87, and Collecting/Disbursing Entity Schedule as Required by Act 87, are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Compensation, Benefits, and Other Payments to Agency Head, Schedule of Compensation Paid to Council Members, Receiving Entity Schedule as Required by Act 87, and Collecting/Disbursing Entity Schedule as Required by Act 87, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2026, 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.

Cameron Hines & Company (APAC)

West Monroe, Louisiana
September 28, 2026

REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF DELHI, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

The Management's Discussion and Analysis (MD&A) for the Town of Delhi is designed to:

1. Assist the reader in focusing on significant financial issues.
2. Provide an overview of the Town's financial activities.
3. Identify changes in the Town's overall financial position and results of operations and assist the user in determining whether financial position has improved or deteriorated as a result of the year's operations.
4. Identify any significant variations from the original, amended, and final budget amounts and include any currently known reasons for those variations that are expected to have a significant effect on future services or liquidity; and
5. Identify individual fund issues or concerns.

As management of the Town of Delhi, we offer readers of the Financial Statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2025. The Town began this new reporting model required by the Governmental Accounting Standards Board (GASB) Statement Number 34 for the fiscal year ended September 30, 2004.

The information contained within this MD&A should be considered only as part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and other Required Supplemental Information (RSI) that is provided in addition to this MD&A.

Overview of the Financial Statements

The MD&A requires supplementary information that introduces the reader to the basic financial statements and provides an overview of the Town's financial activities. The Town's basic financial statements consist of the following components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

Other required supplementary information, including the required budgetary comparison schedule(s) are presented immediately following the notes to the financial statements. A general description of the components of the basic financial statements follows below, with a more detailed analysis of the government-wide statements included in a later section entitled "Government-wide Financial Analysis."

TOWN OF DELHI, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

1. Government-wide Financial Statements

The Government-wide Financial Statements are designed by GASB Statement No. 34 to present the financial operations of the Town as a whole in a format similar to private sector companies. All governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The focus is on the government-wide (entity-wide) "Statement of Net Position" and "Statement of Activities" to give the reader a broad overview of the Town's financial position and results of operations.

- a. The Statement of Net Position presents information on the Town's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or weakening.
- b. The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. The format for the Statement of Activities presents the expenses for each function (general government, public safety, public works, recreation, facility maintenance, capital outlay, and debt service) reduced by the Program Revenues (charges for services, operating grants and contributions, and capital grants and contributions) directly related to each respective function, to determine net costs of each function. The net costs of each function are normally covered by general revenues.

2. Fund Financial Statements

The fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Town of Delhi uses two categories of funds to account for financial transactions: governmental funds and proprietary funds.

Governmental funds are used to account for most of the basic services and projects reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The Town of Delhi's governmental funds include the following:

TOWN OF DELHI, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

- a. General Fund is used for accounting for the Town's basic services.
- b. Special Revenue Fund - Sales Tax Fund is used for accounting for the receipts and disbursements of the sales tax monies.
- c. Special Revenue Fund - LCDBG Fund is used for accounting for financial transactions under a Louisiana Community Development Block Grant.
- d. Special Revenue Fund - Capital Project Fund is used for accounting for the acquisition or construction of major capital facilities.

The Proprietary Fund accounts for water and sewer services for the Town of Delhi. Enterprise funds are used to account for the same functions as business-type activities presented in the government-wide financial statements, but the fund presentation provides more details.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statement's insight on the long-term impact of the Town's more immediate decisions on the current use of financial resources. Whereas the total column on the enterprise fund financial statements is the same as the business-type column of the government-wide financial statements, the governmental funds columns of the fund financial statements require and include a reconciliation following the balance sheet and the statement of revenues, expenditures and changes in fund balances.

3. Notes to the Financial Statements

The notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. When reviewing this MD&A, the reader should also refer to and review the notes to the basic financial statements, as well as the government-wide and fund financial statements.

4. Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the Town's budget presentations. Budgetary comparison schedules are included as "Required Supplementary Information (Part II)" for the general and special revenue funds. These schedules demonstrate compliance with the Town's adopted and final revised budget.

Government-wide Financial Analysis

As noted earlier, net position may, over time, serve as a useful indicator of a government's financial condition. At the close of the most recent fiscal year, the Town's assets exceeded its liabilities by \$45,241,238.

TOWN OF DELHI, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

The Town's net positions are comprised of \$20,842,693 from governmental activities and \$24,398,545 from business-type activities.

The following is a condensed statement of the Town's net position as of September 30, 2025:

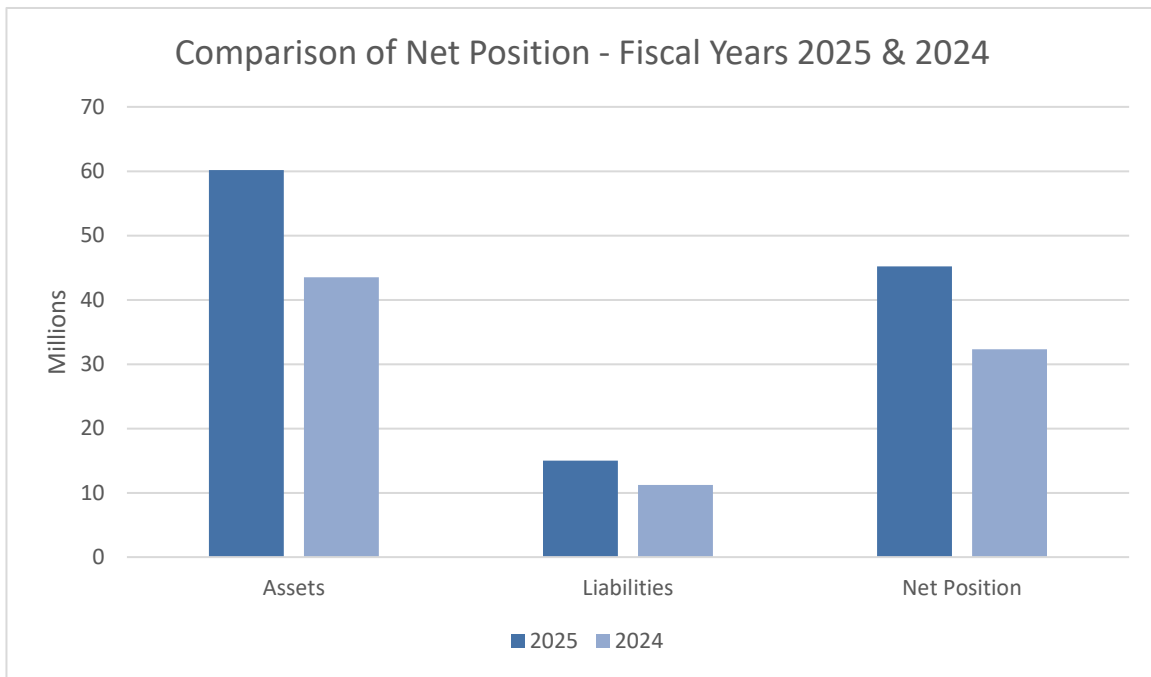
<u>Activities</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Primary Government Total</u>	<u>Percentage</u>
Assets:				
Current assets	\$ 6,900,379	\$ 2,597,003	\$ 9,497,382	16%
Restricted assets	701,548	3,671,028	4,372,576	7%
Capital assets	<u>17,782,872</u>	<u>28,505,582</u>	<u>46,288,454</u>	<u>77%</u>
Total Assets	<u>25,384,799</u>	<u>34,773,613</u>	<u>60,158,412</u>	<u>100%</u>
 Deferred Outflows of Resources	 <u>102,253</u>	 <u>15,296</u>	 <u>117,549</u>	
Liabilities:				
Current liabilities	2,482,956	3,123,815	5,606,771	38%
Noncurrent liabilities	<u>1,962,908</u>	<u>7,244,801</u>	<u>9,207,709</u>	<u>62%</u>
Total Liabilities	<u>4,445,864</u>	<u>10,368,616</u>	<u>14,814,480</u>	<u>100%</u>
 Deferred Inflows of Resources	 <u>198,495</u>	 <u>21,748</u>	 <u>220,243</u>	
Net Position:				
Net investment in capital assets	16,149,908	20,429,232	36,579,140	81%
Restricted	701,548	3,671,028	4,372,576	10%
Unrestricted	<u>3,991,237</u>	<u>298,285</u>	<u>4,289,522</u>	<u>9%</u>
Total Net Position	<u>\$ 20,842,693</u>	<u>\$24,398,545</u>	<u>\$ 45,241,238</u>	<u>100%</u>

TOWN OF DELHI, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

The following is a condensed statement of the Town's net position as of September 30, 2024 (restated):

<u>Activities</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Primary Government Total</u>	<u>Percentage</u>
Assets:				
Current assets	\$ 4,937,061	\$ 935,103	\$ 5,872,164	13%
Restricted assets	663,310	3,507,150	4,170,460	10%
Capital assets	<u>8,043,115</u>	<u>25,181,004</u>	<u>33,224,119</u>	<u>77%</u>
Total Assets	<u>13,643,486</u>	<u>29,623,257</u>	<u>43,266,743</u>	<u>100%</u>
Deferred Outflows of Resources	<u>192,295</u>	<u>28,590</u>	<u>220,885</u>	
Liabilities:				
Current liabilities	437,072	1,398,362	1,835,434	17%
Noncurrent liabilities	<u>814,122</u>	<u>8,333,823</u>	<u>9,147,945</u>	<u>83%</u>
Total Liabilities	<u>1,251,194</u>	<u>9,732,185</u>	<u>10,983,379</u>	<u>100%</u>
Deferred Inflows of Resources	<u>176,195</u>	<u>17,747</u>	<u>193,942</u>	
Net Position:				
Net investment in capital assets	7,826,256	16,128,663	23,954,919	74%
Restricted	-	1,033,780	1,033,780	3%
Unrestricted	<u>4,582,136</u>	<u>2,739,472</u>	<u>7,321,608</u>	<u>23%</u>
Total Net Position	<u>\$ 12,408,392</u>	<u>\$19,901,915</u>	<u>\$ 32,310,307</u>	<u>100%</u>

TOWN OF DELHI, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025



The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. These ratios indicate a good current financial position.

The Town reported positive balances in net position for both governmental and business-type activities for the years ended September 30, 2025 and 2024. Net position increased in governmental activities by \$8,434,301 and increased in business-type activities by \$4,496,630. The Town's total net position increased by 40.02% during the fiscal year ending September 30, 2025. The net investment reflects the total invested in capital assets (land, buildings, equipment, infrastructure, utility system improvements, etc.). These capital assets are used to provide services to citizens and do not represent resources available for future spending.

TOWN OF DELHI, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

The following is a condensed statement of the Town's activities for the year ended September 30, 2025:

	Governmental	Business-Type		
<u>Revenues:</u>	<u>Activities</u>	<u>Activities</u>	<u>Total</u>	<u>Percentage</u>
Program:				
Charges for services	\$ 600,309	\$ 3,254,228	\$ 3,854,537	21%
Operating grants and contributions	110,593	-	110,593	1%
Capital grants and contributions	9,117,308	3,497,693	12,615,001	68%
General:				
Property tax	235,994	-	235,994	1%
Sales tax	1,272,487	-	1,272,487	7%
Other taxes	94,692	-	94,692	1%
Interest	38,806	33,666	72,472	0%
Other	<u>218,658</u>	<u>-</u>	<u>218,658</u>	<u>1%</u>
Total Revenues	<u>11,688,847</u>	<u>6,785,587</u>	<u>18,474,434</u>	<u>100%</u>
<u>Program Expenses:</u>				
General government	966,216	-	966,216	17%
Public safety	1,074,083	-	1,074,083	19%
Public Works	417,569	-	417,569	8%
Recreation	25,313	-	25,313	1%
Facility Maintenance	513,681	-	513,681	9%
Interest and Fees on Debt	35,728	147,402	183,130	3%
Water System	<u>-</u>	<u>2,363,511</u>	<u>2,363,511</u>	<u>43%</u>
Total Program Expenses	<u>3,032,590</u>	<u>2,510,913</u>	<u>5,543,503</u>	<u>100%</u>
Excess (Deficiency)	8,656,257	4,274,674	12,930,931	
Transfers In (Out)	<u>(221,956)</u>	<u>221,956</u>	<u>-</u>	
Change in Net Position	8,434,301	4,496,630	12,930,931	
Beginning Net Position	<u>12,408,392</u>	<u>19,901,915</u>	<u>32,310,307</u>	
Ending Net Position	<u>\$ 20,842,693</u>	<u>\$24,398,545</u>	<u>\$ 45,241,238</u>	

TOWN OF DELHI, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

The following is a condensed statement of the Town's activities for the year ended September 30, 2024:

	Governmental	Business-Type		
	Activities	Activities	Total	Percentage
<u>Revenues:</u>				
Program:				
Charges for services	\$ 680,387	\$ 3,695,035	\$ 4,375,422	41%
Operating grants and contributions	36,820	4,000,693	4,037,513	37%
Capital grants and contributions	323,050	-	323,050	3%
General:				
Property tax	213,853	-	213,853	2%
Sales tax	1,519,805	-	1,519,805	14%
Franchise tax	88,824	-	88,824	1%
Beer tax	3,416	-	3,416	0%
Interest	30,420	36,966	67,386	1%
Other	122,358	-	122,358	1%
Total Revenues	<u>3,018,933</u>	<u>7,732,694</u>	<u>10,751,627</u>	<u>100%</u>
<u>Program Expenses:</u>				
General government	779,925	-	779,925	13%
Public safety	1,106,677	-	1,106,677	18%
Streets	294,804	-	294,804	5%
Recreation	16,369	-	16,369	0%
Facility Maintenance	1,007,520	-	1,007,520	16%
Fees	-	22,850	22,850	0%
Interest	-	134,788	134,788	2%
Water and sewer	-	2,838,216	2,838,216	46%
Total Program Expenses	<u>3,205,295</u>	<u>2,995,854</u>	<u>6,201,149</u>	<u>100%</u>
Excess (Deficiency)	(186,362)	4,736,840	4,550,478	
Transfers In (Out)	-	-	-	
Change in Net Position	(186,362)	4,736,840	4,550,478	
Beginning Net Position	<u>12,594,754</u>	<u>15,165,075</u>	<u>27,759,829</u>	
Ending Net Position	<u>\$ 12,408,392</u>	<u>\$ 19,901,915</u>	<u>\$ 32,310,307</u>	

TOWN OF DELHI, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

The Condensed Statement of Activities presents revenues, expenses, and changes in net position separately for governmental activities and business-type activities. The condensed format allows for presentation of Program Revenues (Charges for Services, Operating Grants and Contributions, and Capital Grants and Contributions) followed by a listing of General Revenues to support the Town's overall governmental or business-type activities. Expenses are presented on a functional basis. As noted above, there are two categories of revenues on the Statement of Activities – "Program Revenues" and "General Revenues". "Program Revenues" derive directly from the program itself or from parties outside the Town's taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the government's "General Revenues". "Program Revenues" are further divided into Charges for Services, Operating Grants and Contributions, and Capital Grants and Contributions.

"Program Expenses" for the governmental funds are presented in the above Condensed Statement of Activities by function and total \$3,032,590 and \$3,205,295 (including interest on long-term debt) for the fiscal years ended September 30, 2025, and 2024, respectively.

Business-Type Activities provided by the Town of Delhi consists of water and sewer utilities. All revenues are in the category of "Program Revenues," with the exceptions of interest income and miscellaneous income reported as "General Revenue." "Program Revenues" in the Charges for Services sub-category consists of billings for water and sewer of \$3,254,228 and \$3,695,035 for the fiscal years ended September 30, 2025 and 2024, respectively.

The Town reports the total amount of expenses for operation of the utility system \$2,363,511 and \$2,838,216 for the years ended September 30, 2025 and 2024, respectively. The "Change in Net Position" (revenues less expenses) for the utility system was positive \$4,496,630 and positive \$4,736,840 for the fiscal years ended September 30, 2025, and 2024, respectively.

Capital Assets and Long-Term Debt

The Town's investment in capital assets, net of accumulated depreciation and related debt, for governmental and business-type activities as of September 30, 2025, was \$16,149,908 and \$20,429,232 respectively, and \$7,826,256 and \$16,128,663, respectively, as of September 30, 2024. For the year ended September 30, 2025, net investment for governmental type activities increased by 106% while net investment for business-type activities increased by 27%. For the year ended September 30, 2024, net investment for governmental type activities decreased by 5% while net investment for business-type activities increased by 6%. More detailed information about Town's capital assets is presented in note 4.

As of September 30, 2025, and 2024, the Town had total bond indebtedness in the amount of \$9,354,213 and \$9,052,341, respectively, an increase of 3%. More detailed information about the Town's certificates of indebtedness and bond indebtedness is presented in note 6.

TOWN OF DELHI, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Required Supplementary Information

In addition to this MD&A and the basic financial statements, this report also presents certain required supplementary information. This required supplementary information for the Town of Delhi includes the budgetary comparison schedule for the general fund and sales tax fund. The presentation under the GASB 34 standard requires disclosure of both the original and the final budget. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year, whenever signed into law or otherwise legally authorized.

Contacting the Town's Financial Management

This financial report is designed to provide a general overview of the Town's finances, comply with finance-related laws and regulations, and demonstrate the Town's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Town's clerk at Town of Delhi, Louisiana.

Mayor, Town of Delhi, Louisiana
(318) 488-0138

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF DELHI
DELHI, LOUISIANA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 4,100,843	\$ 460,196	\$ 4,561,039
Investments	567,037	-	567,037
Receivables	2,232,499	2,136,807	4,369,306
Total Current Assets	<u>6,900,379</u>	<u>2,597,003</u>	<u>9,497,382</u>
Non-Current Assets:			
Restricted Assets:			
Cash and Cash Equivalents	209,973	2,965,119	3,175,092
Investments	491,575	705,909	1,197,484
Capital Assets, Net	17,645,981	28,434,002	46,079,983
Right of Uses Assets, Net	136,891	71,580	208,471
Total Non-Current Assets	<u>18,484,420</u>	<u>32,176,610</u>	<u>50,661,030</u>
<u>Total Assets</u>	<u><u>25,384,799</u></u>	<u><u>34,773,613</u></u>	<u><u>60,158,412</u></u>
<u>Deferred Outflows of Resources</u>	<u>102,253</u>	<u>15,296</u>	<u>117,549</u>
<u>Liabilities</u>			
Current Liabilities:			
Cash Overdraft	31,891	-	31,891
Accounts Payable	2,245,370	1,982,474	4,227,844
Accrued Expenses	2,718	5,017	7,735
Customer Deposits	-	143,243	143,243
Internal Balances	85,556	(85,556)	-
Current Portion of Lease Liability	58,855	17,909	76,764
Current Portion of Note Payable	34,359	-	34,359
Current Portion of Bonds Payable	24,207	1,060,728	1,084,935
Total Current Liabilities	<u>2,482,956</u>	<u>3,123,815</u>	<u>5,606,771</u>
Non-Current Liabilities:			
Non-Current Portion of Lease Liability	86,692	56,348	143,040
Note Payable After One Year	100,938	-	100,938
Bonds Payable After One Year	1,327,913	6,941,365	8,269,278
Compensated Absences	25,541	29,888	55,429
Net Pension Liability	421,824	217,200	639,024
Total Non-Current Liabilities	<u>1,962,908</u>	<u>7,244,801</u>	<u>9,207,709</u>
<u>Total Liabilities</u>	<u>4,445,864</u>	<u>10,368,616</u>	<u>14,814,480</u>
<u>Deferred Inflows of Resources</u>	<u>198,495</u>	<u>21,748</u>	<u>220,243</u>
<u>Net Position</u>			
Net Investment in Capital Assets	16,149,908	20,429,232	36,579,140
Restricted for Debt Service	701,548	3,671,028	4,372,576
Unrestricted	3,991,237	298,285	4,289,522
<u>Total Net Position</u>	<u><u>\$ 20,842,693</u></u>	<u><u>\$ 24,398,545</u></u>	<u><u>\$ 45,241,238</u></u>

The accompanying notes are an integral part of this financial statement.

TOWN OF DELHI
DELHI, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Function/Program Activities	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 966,216	\$ 162,446	\$ 80,710	\$ 9,117,308
Public Safety	1,074,083	81,282	29,883	-
Public Works	417,569	356,581	-	-
Recreation	25,313	-	-	-
Facility Maintenance	513,681	-	-	-
Interest on Long Term Debt	35,728	-	-	-
Total Governmental Activities	3,032,590	600,309	110,593	9,117,308
Business-Type Activities:				
Water System	2,363,511	3,254,228	-	3,497,693
Interest and Fees on Long-Term Debt	147,402	-	-	-
Total Business-Type Activities	2,510,913	3,254,228	-	3,497,693
<u>Total Government</u>	<u>\$ 5,543,503</u>	<u>\$ 3,854,537</u>	<u>\$ 110,593</u>	<u>\$ 12,615,001</u>

General Revenues:

Taxes:

Property Taxes

Sales Taxes

Other Taxes

Investment Earnings

Transfers

Rent

Miscellaneous

Total General Revenues

Changes in Net Position

Net Position - Beginning (restated)

Net Position - Ending

Net (Expense) Revenues and Changes in Net Position Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ 8,394,248	\$ -	\$ 8,394,248
(962,918)	-	(962,918)
(60,988)	-	(60,988)
(25,313)	-	(25,313)
(513,681)	-	(513,681)
(35,728)	-	(35,728)
6,795,620	-	6,795,620
-	4,388,410	4,388,410
-	(147,402)	(147,402)
-	4,241,008	4,241,008
6,795,620	4,241,008	11,036,628
235,994	-	235,994
1,272,487	-	1,272,487
94,692	-	94,692
38,806	33,666	72,472
(221,956)	221,956	-
107,600	-	107,600
111,058	-	111,058
1,638,681	255,622	1,894,303
8,434,301	4,496,630	12,930,931
12,408,392	19,901,915	32,310,307
<u>\$ 20,842,693</u>	<u>\$ 24,398,545</u>	<u>\$ 45,241,238</u>

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

TOWN OF DELHI
DELHI, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Major Funds			Non-Major Fund	Total Governmental Funds
	General Fund	Sales Tax Fund	Capital Projects Fund	LCDBG Fund	
<u>Assets</u>					
Cash and Cash Equivalents	\$ -	\$ 3,900,073	\$ 200,670	\$ 100	\$ 4,100,843
Investments	13,755	553,282	-	-	567,037
Receivables					
Franchise Fees	24,294	-	-	-	24,294
Fines Revenue	53,563	-	-	-	53,563
Sales Tax	-	185,937	-	-	185,937
Rent and Royalties	3,672	-	-	-	3,672
Grants	2,500	-	-	-	2,500
Leases	93,708	-	-	-	93,708
Other	1,131	-	1,867,694	-	1,868,825
Due from Other Funds	49,531	14,017	-	-	63,548
Restricted Assets:					
Cash and Cash Equivalents	209,973	-	-	-	209,973
Investments	491,575	-	-	-	491,575
<u>Total Assets</u>	<u>943,702</u>	<u>4,653,309</u>	<u>2,068,364</u>	<u>100</u>	<u>7,665,475</u>
<u>Liabilities</u>					
Cash Overdraft	31,891	-	-	-	31,891
Accounts Payable	100,462	77,369	2,067,539	-	2,245,370
Accrued Expenses	2,718	-	-	-	2,718
Due to Other Funds	147,915	1,189	-	-	149,104
<u>Total Liabilities</u>	<u>282,986</u>	<u>78,558</u>	<u>2,067,539</u>	<u>-</u>	<u>2,429,083</u>
<u>Deferred Inflow of Resources</u>					
Lease Related	84,474	-	-	-	84,474
<u>Total Deferred Inflow of Resources</u>	<u>84,474</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>84,474</u>
<u>Fund Balances</u>					
Restricted	701,548	-	825	-	702,373
Assigned	-	4,574,751	-	-	4,574,751
Unassigned (Deficit)	(125,306)	-	-	100	(125,206)
<u>Total Fund Balances</u>	<u>576,242</u>	<u>4,574,751</u>	<u>825</u>	<u>100</u>	<u>5,151,918</u>
<u>Total Liabilities, Deferred Inflow of Resources, and Fund Balances</u>	<u>\$ 943,702</u>	<u>\$ 4,653,309</u>	<u>\$ 2,068,364</u>	<u>\$ 100</u>	<u>\$ 7,665,475</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF DELHI
DELHI, LOUISIANA
RECONCILIATION OF GOVERNMENTAL
FUND BALANCE TO STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Total Governmental Fund Balances	\$ 5,151,918
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Governmental Capital Assets	31,677,709	
Less: Accumulated Depreciation	(14,031,728)	
Right of Use Asset	287,264	
Accumulated Amortization	<u>(150,373)</u>	17,782,872

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

Compensated Absences	(25,541)	
Deferred Outflows - GASB 68	102,253	
Deferred Inflows - GASB 68	(114,021)	
Net Pension Liability	(421,824)	
Notes Payable	(135,297)	
Lease Liability	(145,547)	
Bonds Payable	<u>(1,352,120)</u>	<u>(2,092,097)</u>

Net Position of Governmental Activities	<u><u>\$ 20,842,693</u></u>
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The accompanying notes are an integral part of this financial statement.

TOWN OF DELHI
DELHI, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Major Funds			Non-Major Fund	Total Governmental Funds
	General Fund	Sales Tax Fund	Capital Projects Fund	LCDBG Fund	
<u>Revenues</u>					
Taxes:					
Ad Valorem	\$ 235,994	\$ -	\$ -	\$ -	\$ 235,994
Sales and Use	-	1,272,487	-	-	1,272,487
Other Taxes, Penalties, Interest, etc.	94,692	-	-	-	94,692
Licenses and Permits	162,446	-	-	-	162,446
Intergovernmental Revenue:					-
State Funds:					-
Transportation Funds	4,160	-	-	-	4,160
Grants	76,550	-	-	319,435	395,985
Police Supplemental Pay	29,883	-	-	-	29,883
Grants	-	-	8,797,873	-	8,797,873
Fines	81,282	-	-	-	81,282
Garbage Collection	356,581	-	-	-	356,581
Use of Money and Property	22,511	16,295	-	-	38,806
Rent	107,600	-	-	-	107,600
Miscellaneous	109,358	1,700	-	-	111,058
Total Revenues	<u>1,281,057</u>	<u>1,290,482</u>	<u>8,797,873</u>	<u>319,435</u>	<u>11,688,847</u>
<u>Expenditures</u>					
General Government	567,477	123,847	-	-	691,324
Public Safety	599,175	314,050	-	-	913,225
Public Works	279,879	39,694	-	-	319,573
Recreation	-	14,777	-	-	14,777
Facility Maintenance	499,074	-	-	-	499,074
Capital Outlay	519,128	1,007,880	8,797,048	-	10,324,056
Debt Service:					
Principal Payments	82,527	17,880	-	-	100,407
Interest and Other	17,851	17,877	-	-	35,728
Total Expenditures	<u>2,565,111</u>	<u>1,536,005</u>	<u>8,797,048</u>	<u>-</u>	<u>12,898,164</u>
<u>Excess (Deficiency) of Revenues</u>					
<u>Over Expenditures</u>	<u>(1,284,054)</u>	<u>(245,523)</u>	<u>825</u>	<u>319,435</u>	<u>(1,209,317)</u>
<u>Other Financing Sources and (Uses)</u>					
Proceeds from Note and Lease	146,510	-	-	-	146,510
Proceeds from Bond Issuance	-	1,370,000	-	-	1,370,000
Transfers In	842,100	-	-	100,698	942,798
Transfers Out	(21,500)	(721,298)	-	(421,956)	(1,164,754)
Total Other Financing	<u>967,110</u>	<u>648,702</u>	<u>-</u>	<u>(321,258)</u>	<u>1,294,554</u>
<u>Net Change in Fund Balance</u>	<u>(316,944)</u>	<u>403,179</u>	<u>825</u>	<u>(1,823)</u>	<u>85,237</u>
<u>Fund Balance - Beginning (Restated)</u>	<u>893,186</u>	<u>4,171,572</u>	<u>-</u>	<u>1,923</u>	<u>5,066,681</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ 576,242</u>	<u>\$ 4,574,751</u>	<u>\$ 825</u>	<u>\$ 100</u>	<u>\$ 5,151,918</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF DELHI
DELHI, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Net Change in Fund Balances - Total Governmental Funds	\$	85,237
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Amounts reported for governmental activities in the statement of activities are different because:

Government 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.

Capital Outlay	10,324,056		
Depreciation expense	(526,847)		
Amortization expense	(57,453)		
			9,739,756

The issuance of long-term debt provides current financial resources to governmental funds, while the repayments of the principal of a long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The detail of these differences in the treatment of long-term debt and related items is as follows:

Proceeds from Note and Lease	(146,510)		
Bond Issuance	(1,370,000)		
Principal Payments	100,407		
			(1,416,103)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Increase in Compensated Absences	(4,939)		
Net Change in Net Pension Liability (Including Deferrals)	30,350		
			25,411

Change in Net Position in Governmental Activities	\$	8,434,301
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The accompanying notes are an integral part of this financial statement.

TOWN OF DELHI
DELHI, LOUISIANA
STATEMENT OF NET POSITION
BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND
UTILITY FUND
SEPTEMBER 30, 2025

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 460,196
Accounts Receivable, Net	309,266
Grants Receivable	1,827,541
Due From Other Funds	136,854
Total Current Assets	<u>2,733,857</u>

Non-Current Assets

Restricted Assets:	
Cash and Cash Equivalents	2,965,119
Investments	705,909
Right of Use Assets, Net	71,580
Capital Assets:	
Non-Depreciable	7,136,168
Depreciable, Net	21,297,834
Total Non-Current Assets	<u>32,176,610</u>

TOTAL ASSETS

34,910,467

DEFERRED OUTFLOWS OF RESOURCES

Pension Related	15,296
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LIABILITIES

Current Liabilities

Accounts Payable	154,933
Construction Accounts Payable	1,827,541
Accrued Payroll	5,017
Customer Deposits	143,243
Due to Other Funds	51,298
Current Portion of Lease Liability	17,909
Current Portion of Bonds Payable	1,060,728
Total Current Liabilities	<u>3,260,669</u>

Non-Current Liabilities

Compensated Absences	29,888
Non-Current Portion of Lease Liability	56,348
Net Pension Liability	217,200
Bonds Payable After One Year	6,941,365
Total Non-Current Liabilities	<u>7,244,801</u>

TOTAL LIABILITIES

10,505,470

DEFERRED INFLOWS OF RESOURCES

Pension Related	21,748
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Net Position

Invested in Capital Assets Net of Related Debt	20,429,232
Restricted	3,671,028
Unrestricted	298,285
Total Net Position	<u>\$ 24,398,545</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF DELHI
DELHI, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND
UTILITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Operating Revenues

User Charges	\$ 3,168,763
Fees	35,927
Miscellaneous Revenue	49,538
Total Operating Revenues	3,254,228

Operating Expenses

Salaries, Wages and Employee Benefits	505,982
Contractual Services, Material and Supplies	903,669
Depreciation and Amortization	823,246
Insurance and Other Expenses	130,614
Total Operating Expenses	2,363,511

Net Operating Income (Loss) 890,717

Nonoperating Revenues (Expenses)

Grant Revenue	3,497,693
Income on Investments	33,666
Administrative Fees on Bonds Payable	(20,025)
Interest Expense	(127,377)
Total Nonoperating Revenues (Expenses)	3,383,957

Income (Loss) Before Transfers 4,274,674

Other Financing Sources (Uses)

Transfers In	421,956
Transfers (Out)	(200,000)
Total Other Financing Sources (Uses)	221,956

Change in Net Position 4,496,630

Total Net Position, Beginning (Restated) 19,901,915

Total Net Position, Ending \$ 24,398,545

The accompanying notes are an integral part of this financial statement.

TOWN OF DELHI
DELHI, LOUISIANA
STATEMENT OF CASH FLOWS
UTILITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Cash Flows From Operating Activities

Receipts from Customers	\$ 3,191,547
Payments to Suppliers	(1,098,647)
Payments to Employees	(557,140)
Net Cash Provided (Used) by Operating Activities	<u>1,535,760</u>

Cash Flows From Noncapital Financing Activities

Customer Deposits	3,254
Noncapital Transfers to Other Funds	(271,991)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(268,737)</u>

Cash Flows From Capital and Related Financing Activities

Grant Revenue Received	3,497,693
Principal Paid on Bonds	(1,050,248)
Interest Paid	(147,402)
Capital Contributions from Other Funds	421,956
Principal Paid on Leases	(12,024)
Purchase of Capital Assets	(4,062,989)
Net Cash Provided (Used) by Capital and and Related Financing Activities	<u>(1,353,014)</u>

Cash Flows From Investing Activities

Interest Earned on Investments	40,704
Net Cash Provided (Used) by Investing Activities	<u>40,704</u>

Net Increase (Decrease) in Cash and Cash Equivalents (45,287)

Cash and Cash Equivalents - Beginning of Year 3,470,602

Cash and Cash Equivalents - End of Year \$ 3,425,315

Unrestricted Cash and Cash Equivalents, End of Year	460,196
Restricted Cash and Cash Equivalents, End of Year	2,965,119
Total Cash and Cash Equivalents, End of Year	<u><u>\$ 3,425,315</u></u>

Continued on next page.

The accompanying notes are an integral part of this financial statement.

TOWN OF DELHI
DELHI, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Reconciliation of Operating Income (Loss)

to Net Cash Flows from Operating Activities

Net Operating Income (Loss)	\$ 890,717
Adjustments to Reconcile Net Income (Loss) to	
Net Cash Used by Operating Activities	
Depreciation and Amortization	823,246
(Increase) Decrease In:	
Accounts Receivable	(62,681)
Increase (Decrease) In:	
Accounts Payable	(64,364)
Accrued Payroll	(279)
Net Pension Liability and Deferrals (Net)	(49,538)
Compensated Absences	(1,341)
Net Cash Provided (Used) by Operating Accounts	<u>\$ 1,535,760</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF DELHI
DELHI, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Note 1 – Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Delhi (Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

The Town follows GASB Statement No.34 *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain of the significant features of the Statement include the following:

- A Management’s Discussion and Analysis (MD&A) section is provided which includes an analysis of the Town’s overall financial position and results of operations.
- Financial statements are prepared using full accrual accounting for all of the Town’s activities, including infrastructure (roads, bridges, etc.); and
- Fund financial statements with a focus on the major funds.

Financial Reporting Entity

The Town was incorporated under the Lawrason Act and operates under a Mayor-Board of Aldermen form of government. This report includes all funds that are controlled by or dependent on the Town’s executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Town was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

As the municipal governing authority, for reporting purposes, the Town of Delhi, Louisiana is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete, and (d) organizations that are closely related to, or financially integrated with, the primary government.

TOWN OF DELHI
DELHI, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Section 2100 of the 2011 Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, “Defining the Financial Reporting Entity,” establishes criteria for determining which entities should be considered a component unit and, as such part of the reporting entity for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the primary government’s authority (Mayor and Board of Aldermen) appoints a majority of board members of the potential component unit and is able to impose its will on potential component unit or whether the potential component unit is fiscally dependent on the primary government.
3. Financial benefit/burden relationship between the primary government and the potential component unit.
4. The nature and significance of the relationship between the potential component units with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading.

Government-Wide and Fund Financial Statements

The government-wide financial statements (GWFS i.e., the statement of net position and the statement of activities) display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Town and for each function of the Town’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The Town reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with the function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the statement of activities.

TOWN OF DELHI
DELHI, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

The content and certain titles of the GWFS were changed upon the adoption in the current fiscal year of GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This statement provides reporting guidance for deferred outflows of resources and deferred inflows of resources, and adds them, when applicable, as elements of the GWFS because they are distinct from assets and liabilities. In addition, because these additional elements may affect the residual amount of all of the elements presented in a statement of financial position, GASB 63 renames that measure as net position rather than net assets. The Town had deferred outflows of resources related to net pension liability in the amount of \$117,549 and deferred inflows related to net pension liability and leases of \$220,243 at September 30, 2025. No reclassifications affecting the statement of net position from the prior period are required.

The accounts of the Town are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds of the Town are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type: and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Governmental Funds

- General Fund - This fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.
- Debt Service Funds - These funds are used to account for the accumulation of resources for, and the payments of, general long-term debt principal, interest and related costs.
- Capital Projects Funds - These funds are used to account for the financial resources used for the acquisition or construction of major capital facilities.

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Proprietary Fund

- Enterprise Fund - This fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Enterprise Fund (Water System) is accounted for on a cost of services or "capital maintenance" basis. This means that all assets and all liabilities (whether current or noncurrent) associated with its activity are included on its balance sheet. Its reported fund equity (net total position) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary 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.

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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. Only the portion of special assessment receivable due with the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when the liability is incurred, or economic asset used. Proprietary funds distinguish operating revenues and expenses from non-operating 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. Operating revenues for the Town's proprietary fund consist of charges to customers and users of its water services. Operating expenses for the Town's proprietary fund 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 non-operating revenues and expenses.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Inter-fund Balances (Due From to Other Funds)

Inter-fund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as inter-fund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when a fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other inter-fund transactions are treated as transfers. Transfers between governmental or enterprise funds are netted as part of the reconciliation to the government-wide financial statements.

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without the expectation of repayment, the transaction is reported as a transfer and is treated as a source of income by the recipient fund and as an expenditure by the providing fund.

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as inter-fund activity and balances in the funds were eliminated or reclassified. Inter-fund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activity's columns.

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Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In the month of September, the Mayor submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at Town Hall to obtain taxpayer comments.

Prior to October 1, the budget is legally enacted through passage of an ordinance.

3. The Mayor is authorized to transfer budgeted amounts between departments within any fund; however, the Board of Aldermen must approve any revisions that alter the total expenditures of any fund. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis.
4. Formal budgetary integration is employed as a management control device during the year for the General Fund.
5. Budgeted amounts are as originally adopted and amended by the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year; however, unexpended fund balances are used to fund expenditures of subsequent years.

Budgets for the General and Special Revenue funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP)

Cash and Cash Equivalents, and Investments

A consolidated bank account has been established into which most monies are deposited and from which most disbursements are made. In addition, investment purchases are charged, and maturities are deposited to the consolidated bank account. The purpose of this consolidation of bank accounts is to provide administrative efficiency and to maximize investment earnings. The account titled "Cash and cash equivalents" is therefore composed of a fund's pro rata share of the cash balance in the consolidated cash account as well as its pro rata share of certificates of deposit with maturities of three months or less and the Louisiana Asset Management Pool ("LAMP") account. Investment earnings are shared by each fund on a pro rata basis according to its average cash balance.

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	Cash Equivalents		Investments	
	Cash	Certificates of Deposit	Certificates of Deposit	Total
At September 30, 2025				
Carrying Amount on				
Balance Sheet	<u>\$ 7,736,131</u>	<u>\$ -</u>	<u>\$ 1,764,521</u>	<u>\$ 9,500,652</u>
 <u>Bank Balances:</u>				
A. Insured (FDIC) or collateralized with securities held by the entity or its agent in the entity's name	\$ 750,000	-	\$ -	\$ 750,000
B. Collateralized with securities held by pledging financial institutions trust department or agent in the entity's name	7,543,463	-	1,764,521	9,307,984
C. Uncollateralized, including any securities held for the entity but not in the entity's name	-	-	-	-
Total Bank Balances	<u>\$ 8,293,463</u>	<u>\$ -</u>	<u>\$ 1,764,521</u>	<u>\$ 10,057,984</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or 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 must be equal to or greater than 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.

Even though the pledged securities may be considered uncollateralized (Category 3) under the provisions of GASB Statement 3, LSA-R.S. 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 Town that the fiscal agent has failed to pay deposited funds upon demand.

Market Mutual Funds and Pooled Deposits

Money market mutual funds and pooled deposits are stated at fair value based on quoted market values. The fair value of the deposits is determined on a weekly basis to monitor any variances between amortized cost and market value. Legally binding guarantees have not been obtained to support the value of the deposits as all are short-term, highly liquid securities.

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State statutes authorize the Town to invest in United States bonds, treasury notes and bills, or certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in Louisiana Asset Management Pool, Inc. ("LAMP"), a non-profit corporation formed by an initiative of the State Treasurer in 1993 and organized under the laws of the State of Louisiana, which operates a local government investment pool.

Receivables and due from other Governments

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes and franchise taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible utility service receivables are recognized as bad debts at the time information becomes available which would indicate the un-collectability of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible receivables is recorded due to immateriality at September 30, 2025. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end. Revenues from grants are recorded as earned when eligibility requirements are met.

Uncollectable Allowance

Uncollectible receivables for ad valorem taxes and utilities are recognized when incurred by direct write-off. Although this is a departure from generally accepted accounting principles, historically such amounts have been immaterial.

Inventory

Inventory of the General Fund consists of expendable supplies held for consumption and is reported at cost. Expenditures are recognized when the items are purchased.

Stewardship, Compliance and Accountability

Excess of expenditures over appropriations: The budgets for the year ended September 30, 2025, were amended during the fiscal year. However, in the General Fund, actual revenues fell short of budgeted revenues and actual expenditures exceeded budgeted expenditures by more than 5 percent.

Included in the General Fund financial statements are amounts paid by the State of Louisiana as supplemental salaries to the Town's policemen. The payments of \$29,883 are included on the financial statements as Revenue and Public Safety Expenditures.

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Fund Balance and Equity Classifications

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds.

Non-spendable Fund Balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact. The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Restricted Fund Balance - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance - These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Town alderman - the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Town aldermen remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Fund Balance - This classification reflects the amounts constrained by the Town's "intent" to be used for specific purposes but are neither restricted nor committed. The Town's aldermen and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as non-spendable and are neither restricted nor committed.

Unassigned Fund Balance - This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use externally restricted resources first, then unrestricted resources - committed, assigned and unassigned - in order as needed.

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Restricted Assets

Restricted assets are reported for cash, money market mutual funds, or pooled deposits legally restricted for specified uses such as payment of debt service and fiscal fees on long-term debt.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as needed.

Accumulated Compensated Absences

Allowable annual vacation and sick leave is prescribed by municipal ordinance, based on length of continuous employment by the Town, accrued on an employment anniversary basis, and accrued to specified maximums. Compensatory time is also granted to supervisory personnel in lieu of overtime pay. Employees may accumulate unused compensatory time which is paid to the employee in the form of time off or at the employee's current rate of pay upon separation from service.

Estimated accrued compensated absences resulting from unused vacation and compensatory time at the end of the fiscal year are recorded as long-term liabilities in the government-wide financial statements in accordance with GASB Statement No. 101, *Compensated Absences*. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Compensated absences are paid from the General Fund that is responsible for all employees' compensation and are recorded in the fund financial statements only when payment is actually made.

Balance and Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

Unrestricted assets - all other assets that do not meet the definition of "restricted" or "net investment in capital assets."

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Long-term Liabilities

Accrued compensated absences, outstanding debt, and the related accrued interest is reported as liabilities in the government- wide financial statements. The fund financial statements recognize proceeds of debt as other financing sources of the current period. Expenditures for compensated absences, long-term debt principal, and interest payments are recorded in the fund financial statements only when payment is due.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Police Employees Retirement System (the “Plans”), and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Accounting and Financial Reporting for Pensions

GASB approved Statement No. 68, *Accounting and Financial Reporting for Pensions* and Statement No. 71, *Pension Transition for Contributions Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. GASB Statement No. 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements that meet the criteria established by this standard. GASB Statement 71 requires a government employer to recognize a net pension liability measured as of a date (“measurement date”) no earlier than the end of its prior fiscal year. If the government employer makes a contribution to a defined benefit plan between the measurement date of the reported net pension liability and the end of the government’s reporting period, the government is required to recognize its contribution as a deferred outflow of resources. The provisions of GASB Statement No. 68 and GASB Statement No. 71 were implemented by the Town during the fiscal year ending September 30, 2017.

The Statement established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period and so will not be recognized as expenditure until then. In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources.

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This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town's deferred outflows and deferred inflows are resources related to pensions and leases.

Estimates

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

Leases

The Town leases various assets for noncancellable leases of equipment and vehicles. In the government-wide financial statements, capital leases and the related lease obligations are reported as liabilities in the applicable governmental activities statement of net assets as well as recording a related right-of-use lease asset. Leases with an initial value of \$5,000 or more and greater than 12 months in length, are recognized. They are evaluated based on the individual value of each asset.

The lease liability is based on the present value of payments expected to be made during the lease term. The liability is reduced as payments are made. The right-of-use asset is amortized over the useful life on a straight-line basis.

The Town is also a lessor for noncancellable leases of buildings and land. The Town recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements. At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Note 2 – Cash and Investments

Statutes allow the Town to deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, as well as invest in United States bonds, treasury notes, or certificates. These are classified as investments if their maturities exceed 90 days; however, if the maturities are 90 days or less, they are classified as cash equivalents.

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At September 30, 2025, the Town's cash and cash equivalents were made up of petty cash, checking, and savings accounts for a total of \$7,736,131. Cash and cash equivalents of \$3,175,092 included in this total is restricted and is shown as such on the Statement of Net Position.

As of September 30, 2025, the Town had a total of \$1,764,521 invested in certificates of deposit having maturities of more than 90 days. Certificates of deposit of \$1,197,484 included in this total are restricted and are shown as such on the Statement of Net Position.

The cash equivalents and investments of the Town are subject to the following risks.

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of investments. The Town does not have a policy addressing interest rate risk.

Credit risk: under state law, the Town may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Town may invest in United States bonds, treasury notes and bills, government backed agency securities or certificates and time deposits of state banks organized under Louisiana law and national banks having principal officers in Louisiana.

Custodial credit risk is the risk that in event of a bank failure, the government's deposit may not be returned to it. Louisiana Revised Statutes 39:1218-1229 required the collateralization of local government deposits that are greater than the amount insured by the Federal Depository Insurance Coverage (FDIC) limit (currently \$250,000 per institution).

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pools of assets. Investment earnings are shared by each fund on a pro rata basis according to its average cash balance.

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAA by Standard & Poor's.
- Custodial risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

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- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments.
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

Note 3 – Property Tax

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and payable December 31. The Town collects its own property taxes. Town property tax revenues are recognized when levied to the extent that they result in current receivables.

The Town is permitted by the Municipal Finance Law of the state to levy taxes up to 11.75 mills on the total assessed value for the Town for governmental services other than the payment of principal and interest on long term debt and in required amounts for the payment of principal and interest on long term debt.

For the year ended September 30, 2025, taxes of 11.75 mills were levied on property with taxable assessed valuations totaling \$18,137,520 for a total of \$213,117. The taxes were dedicated for general corporate purposes.

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Note 4 – Capital Assets

Capital assets and depreciation activity as of and for the year ended September 30, 2025, for the primary government is as follows:

	<u>Balance</u> <u>10/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/2025</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 284,160	\$ -	\$ -	\$ 284,160
Construction in progress	181,458	9,804,928	-	9,986,386
Other capital assets:				
Buildings	6,420,171	76,761	-	6,496,932
Infrastructure	12,719,034	256,355	-	12,975,389
Equipment	<u>1,780,266</u>	<u>154,576</u>	<u>-</u>	<u>1,934,842</u>
Totals	<u>21,385,089</u>	<u>10,292,620</u>	<u>-</u>	<u>31,677,709</u>
Less accumulated depreciation:				
Buildings	3,809,202	133,833	-	3,943,035
Infrastructure	8,157,042	316,297	-	8,473,339
Equipment	<u>1,538,637</u>	<u>76,717</u>	<u>-</u>	<u>1,615,354</u>
Total accumulated depreciation	<u>13,504,881</u>	<u>526,847</u>	<u>-</u>	<u>14,031,728</u>
Governmental activities:				
Capital assets, net	<u>\$ 7,880,208</u>	<u>\$ 9,765,773</u>	<u>\$ -</u>	<u>\$ 17,645,981</u>

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	Balance <u>10/1/2024</u>	Additions	Deletions	Balance <u>9/30/2025</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 10,718	\$ -	\$ -	\$ 10,718
Construction in progress	4,607,018	3,456,737	938,305	7,125,450
Other capital assets:				
Land improvement	38,059	-	-	38,059
Buildings	551,224	-	-	551,224
Infrastructure	31,326,856	1,364,660	-	32,691,516
Equipment	<u>1,137,542</u>	<u>179,897</u>	<u>-</u>	<u>1,317,439</u>
Totals	<u>37,671,417</u>	<u>5,001,294</u>	<u>938,305</u>	<u>41,734,406</u>
Less accumulated depreciation:				
Land improvement	25,869	1,903	-	27,772
Buildings	326,122	8,749	-	334,871
Infrastructure	11,214,541	754,719	-	11,969,260
Equipment	<u>923,881</u>	<u>44,620</u>	<u>-</u>	<u>968,501</u>
Total accumulated depreciation	<u>12,490,413</u>	<u>809,991</u>	<u>-</u>	<u>13,300,404</u>
Business-type activities:				
Capital assets, net	<u>\$ 25,181,004</u>	<u>\$ 4,191,303</u>	<u>\$ 938,305</u>	<u>\$ 28,434,002</u>

Depreciation is computed on capital assets based on the estimated useful lives of the assets. The straight-line method with no salvage value is used. Buildings and improvements are depreciated over 20 - 40 years; water and sewer plant and related lines are depreciated over 25 - 50 years; all other equipment is depreciated over 5 - 15 years. Depreciation expense of \$1,336,838 for the year ended September 30, 2025, was charged to the following governmental functions:

Government activities:	
General Government	\$ 300,303
Public Safety	131,712
Public Works	84,296
Recreation	<u>10,536</u>
Total	<u>\$ 526,847</u>

Business-type activities:	
Water	<u>\$ 809,991</u>

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Note 5 – Accounts Payable and Accrued Expenses

The payables of \$4,235,579 at September 30, 2025, are as follows:

	Governmental Activities	Business-Type Activities	Total
Accounts payable	\$ 2,245,370	\$ 1,982,474	\$ 4,227,844
Accrued payroll expenses	<u>2,718</u>	<u>5,017</u>	<u>7,735</u>
Total	<u>\$ 2,248,088</u>	<u>\$ 1,987,491</u>	<u>\$ 4,235,579</u>

Note 6 – Certificates of Indebtedness and Bond Indebtedness

	Beginning Balance	Additions	Reductions	Ending Balance	Current Maturities
<u>Governmental Activities:</u>					
2024 Sales Tax Bond	\$ -	\$ 1,370,000	\$ 17,880	\$ 1,352,120	\$ 24,207
Total	<u>\$ -</u>	<u>\$ 1,370,000</u>	<u>\$ 17,880</u>	<u>\$ 1,352,120</u>	<u>\$ 24,207</u>
<u>Business Type Activities:</u>					
2021 Water Revenue Bonds	\$ 3,105,000	\$ -	\$ 420,000	\$ 2,685,000	\$ 425,000
2010 Revenue Bonds	4,089,000	-	568,000	3,521,000	573,000
2015 Sewer Revenue Bonds	713,341	-	17,248	696,093	17,728
2021 Sewer Revenue Bonds	<u>1,145,000</u>	<u>-</u>	<u>45,000</u>	<u>1,100,000</u>	<u>45,000</u>
Total	<u>\$ 9,052,341</u>	<u>\$ -</u>	<u>\$ 1,050,248</u>	<u>\$ 8,002,093</u>	<u>\$ 1,060,728</u>

On August 1, 2006, the Town issued forty-year sewer revenue bonds in the amount of \$1,523,000 for the purpose of funding sewerage system improvements. As of June 24, 2021, the Bond was refunded for amount of \$1,255,000. Yearly installments of \$80,052, including principal and interest, began January 1, 2022. Monthly sinking fund deposits of \$6,671 are required through July 2046. Interest of \$30,035 was paid during the year ended September 30, 2025. Outstanding 2021 sewer revenue refunding bonds indebtedness for this issue as of September 30, 2025, amounted to \$1,110,000.

Future annual payment requirements on the 2021 sewer revenue bonds are as follows:

<u>Year ending September 30,</u>	<u>Interest</u>	<u>Principal</u>	<u>Debt Service</u>
2026	\$ 29,360	\$ 45,000	\$ 74,360
2027	28,593	40,000	68,593
2028	27,732	40,000	67,732
2029	26,819	45,000	71,819
2030	25,851	45,000	70,851
Thereafter	<u>263,184</u>	<u>885,000</u>	<u>1,148,184</u>
Total	<u>\$ 401,539</u>	<u>\$ 1,100,000</u>	<u>\$1,501,539</u>

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During the year ended September 30, 2010, the Town issued twenty-year sewer revenue bonds in the amount of \$11,000,000 for the purpose of funding improvements related to the expansion of sewerage capacity in order to accommodate the new Lamb Weston facility. As of September 30, 2025, the Town had received advances in the amount of \$11,000,000. Outstanding bond indebtedness for this issue amounted to \$3,521,000 as of September 30, 2025, and is included on the Proprietary Fund Statement of Net Position as Bonds Payable. These bonds call for annual principal payments beginning February 2012, and interest at .45% plus administrative fees at .50% payable on a semi-annual basis. The Town is required to make monthly Sinking Fund, Reserve Fund, and Contingency fund deposits for the 2010 issue.

Both the 2006 and the 2010 sewer revenue bond issues were funded through Louisiana Department of Environmental Quality, therefore the Town has combined the monthly sinking fund, reserve fund, and contingency fund requirements for each issue. The Town is now making one combined monthly sewer revenue sinking fund deposit to a single bank account titled USDA Debt Service, one combined monthly sewer revenue reserve fund deposit to a single bank account designated as 2006/2010 Sewer Revenue Bond Reserve Fund, and one combined monthly sewer revenue contingency fund deposit to a single bank account designated as 2010 Sewer Revenue Bond.

Contingency Fund

As of September 30, 2025, the Sewer Revenue Sinking Fund had a balance of \$854,470 available for funding of future 2006 and 2010 Sewer Revenue Bond principal, interest, and administrative fees.

As of September 30, 2025, the 2006/2010 Sewer Revenue Bond Reserve Fund had a balance of \$360,904, and the 2010 Sewer Revenue Bond Contingency Fund had a balance of \$223,025. Monthly sewer revenue bond sinking fund deposits of \$57,242, including \$6,671 for the 2006 bond issue, are to continue until the 2010 bond issue is paid in full. Monthly sewer revenue bond sinking fund deposits of \$6,671 will continue beyond the 2010 bond issue repayment until the 2006 bond issue is paid in full. According to the bond payment schedules, the 2006 Sewer Revenue Bond Reserve funding requirement has a cap of \$80,049, and the 2010 Sewer Revenue Bond Reserve funding requirement has a cap of \$301,852. As of September 30, 2025, the reserve requirements have been satisfied. The 2006 Sewer Revenue Bond requires monthly contingency fund now only requires deposits of \$668 once since the \$80,049 reserve fund cap has been met. The 2010 Sewer Revenue Bond Contingency funding requirement of 5% of the Water System's sewer revenue for the preceding month has a \$200,000 cap. As of September 30, 2025, the reserve requirements have been satisfied. The Town now has a combined contingency funding requirement of only \$668 per month which will continue for the life of the sewer revenue bonds.

Estimated future annual principal, interest, and administrative fee payment requirements on the 2010 Sewer Revenue Bonds are as follows:

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<u>Year ending September 30,</u>	<u>Interest and Fees</u>	<u>Principal</u>	<u>Total Debt Service</u>
2026	\$ 30,728	\$ 573,000	\$ 603,728
2027	25,256	579,000	604,256
2028	19,731	584,000	603,731
2029	14,160	589,000	603,160
2030	8,536	595,000	603,536
Thereafter	<u>2,855</u>	<u>601,000</u>	<u>603,855</u>
Total	<u>\$ 101,266</u>	<u>\$ 3,521,000</u>	<u>\$ 3,622,266</u>

On March 29, 2010, the Town also issued twenty-year water revenue bonds in the amount of \$7,500,000 for the purpose of funding improvements related to expansion of water capacity in order to accommodate the Lamb Weston facility. These bonds call for annual principal payments beginning February 2012, with interest at 2.95% plus administrative fees at .50% payable on a semi-annual basis beginning August 2010. The Town is required to make monthly 2010 Water Revenue Bond Sinking Fund deposits beginning April 2010. The monthly sinking fund deposit requirements are approximately \$43,800 through January 2031.

As of June 24, 2024, the 2010 Water Revenue Bond was refunded for \$4,310,000. The 2021 Water Revenue Refunding Bond Sinking Fund had a balance of \$723,204 available for funding of future 2021 Water Revenue Bond principal, interest, and administrative fees. This 2010 bond issue also requires monthly Reserve Fund deposits of at least \$4,358 until the fund reaches \$261,493, and monthly Contingency Fund deposits equal to 5% of the Water System's water revenues for the preceding month until the contingency fund reaches \$100,000. As of September 30, 2025, the 2010 Water Revenue Refunding Bond Reserve Fund had a balance of \$8,861 and the 2010 Water Revenue Refunding Bond Contingency Fund had a balance of \$102,776. As of September 30, 2025, the reserve requirements have been satisfied.

Estimated future annual principal, interest, and administrative fee payment requirements on the 2010 Water Revenue Bonds are as follows:

<u>Year ending September 30,</u>	<u>Interest and Fees</u>	<u>Principal</u>	<u>Total Debt Service</u>
2026	48,214	425,000	473,214
2027	39,829	435,000	474,829
2028	31,249	445,000	476,249
2029	22,522	450,000	472,522
2030	13,650	460,000	473,650
Thereafter	<u>4,582</u>	<u>470,000</u>	<u>474,582</u>
Total	<u>\$ 160,046</u>	<u>\$ 2,685,000</u>	<u>\$ 2,845,046</u>

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During the year ended September 30, 2015, the Town issued forty-year sewer revenue bonds in the amount of \$875,000 for the purpose of constructing and acquiring improvements and replacements to the sewerage system, including equipment and accessories. Outstanding bond indebtedness for this issue in the amount of \$696,093 is included on the Proprietary Fund Statement of Net Position as Bonds Payable. These bonds call for annual payments of \$36,648 beginning June 1, 2017, at an interest of 2.75%.

This 2015 bond issue also requires monthly Debt Service Reserve Fund deposits equal to 10% of the monthly payment each month over the life of the loan until one annual installment has been accumulated. This reserve fund is required to establish an emergency fund for maintenance and repairs and debt repayment should the need arise. Ten percent of the proposed loan installment equals \$331 per month. In addition, the Town must fund a depreciation reserve for short-lived assets by depositing a sum of \$735 monthly in addition to that required for the debt service reserve.

Estimated future annual principal and interest payment requirements on the 2015 Sewer Revenue Bonds are as follows:

<u>Year ending September 30,</u>	<u>Interest</u>	<u>Principal</u>	<u>Debt Service</u>
2026	\$ 18,920	\$ 17,728	\$ 36,648
2027	18,427	18,221	36,648
2028	17,919	18,729	36,648
2029	17,398	19,250	36,648
2030	16,861	19,787	36,648
Thereafter	<u>200,159</u>	<u>602,378</u>	<u>802,537</u>
Total	<u>\$ 289,684</u>	<u>\$ 696,093</u>	<u>\$ 985,777</u>

On December 20, 2024, the Town issued forty-year sales tax bonds in the amount of \$1,370,000 for the purpose of funding stormwater drainage improvements. Monthly installments of \$3,973, including principal and interest of 1.75%, began January 20, 2025. Interest of \$17,877 was paid during the year ended September 30, 2025. Outstanding Series 2024 Sales Tax Bond indebtedness for this issue as of September 30, 2025, amounted to \$1,352,120.

Future annual payment requirements on the Series 2024 Sales Tax Bond are as follows:

<u>Year ending September 30,</u>	<u>Interest</u>	<u>Principal</u>	<u>Debt Service</u>
2026	\$ 23,469	\$ 24,207	\$ 47,676
2027	23,042	24,634	47,676
2028	22,607	25,069	47,676
2029	22,165	25,511	47,676
2030	21,715	25,961	47,676
Thereafter	<u>404,587</u>	<u>1,226,738</u>	<u>1,631,325</u>
Total	<u>\$ 517,585</u>	<u>\$ 1,352,120</u>	<u>\$1,869,705</u>

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Note 7 – Long-term Liabilities

The long-term liabilities for the year ended September 30, 2025, were as follows:

	<u>Balance</u> <u>10/1/2024</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>9/30/2025</u>
Net Pension Liability	\$ 916,129	\$ -	\$ 277,105	\$ 639,024
Compensated Absences	<u>51,831</u>	<u>3,598</u>	<u>-</u>	<u>55,429</u>
Total	<u>\$ 967,960</u>	<u>\$ 3,598</u>	<u>\$ 277,105</u>	<u>\$ 694,453</u>

Note 8 – Interfund Receivables and Payables

Interfund balances at September 30, 2025, were as follows:

<u>Funds</u>	<u>Receivables</u>	<u>Payables</u>
Governmental Fund	\$ -	\$ 85,556
Proprietary Fund	<u>85,556</u>	<u>-</u>
Total	<u>\$ 85,556</u>	<u>\$ 85,556</u>

Note 9 – Interfund Transfers

Interfund transfers for the year ended September 30, 2025, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General fund	\$ 842,100	\$ 21,500
Sales tax fund	-	721,298
Capital project fund	-	-
LCDBG fund	100,698	421,956
Proprietary Funds:		
Enterprise fund	<u>421,956</u>	<u>200,000</u>
Total	<u>\$ 1,364,754</u>	<u>\$ 1,364,754</u>

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Note 10 – Sales Taxes

Half Cent Sales Tax

On July 15, 1980, a resolution was adopted for a half-cent sales tax for the Town. On September 13, 1980, a special election was held to vote on the proposed sales tax. The sales tax was adopted by a vote of 523 to 404 and became effective November 1, 1980, for ten years. The tax was renewed for additional 10 year periods in 1990, 1998, 2008, and 2018. The revenue from this sales tax is dedicated as follows:

1. The first \$60,000 is dedicated to the maintenance, operation and addition to the Town's recreational facilities.
2. After satisfaction of the above, funds can be used in any of the areas listed below:
 - A. Street, sidewalk, bridge, and alley maintenance and improvement
 - B. Streetlight maintenance
 - C. Garbage collection
 - D. Police department
 - E. Fire department
 - F. Public parks
 - G. Airport
 - H. Real estate and equipment acquisition as related to the above

One Cent Sales Tax

On October 7, 1989, the voters of the Town approved a one-cent sales tax that became effective January 1, 1990, for a period of ten years. The tax was renewed for additional 10 year periods in 1998, 2008, and 2018. The revenue from this tax is dedicated to streets, drainage and other capital improvements.

Note 11 – Risk of Loss

The Town is exposed to a variety of risks that may result in losses. These risks may include possible loss from acts of God, injury to employees, property damage, or breach of contract. The Town finances these potential losses through purchasing insurance from several commercial companies, as well as self-insuring physical damage on its automobiles. The level of coverage has remained constant. The Town is not a member of a risk pool. All claims currently filed are adequately covered by the policies in place with no outstanding liabilities for the Town.

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Note 12 – Pension Plans and Other Pension Liabilities

The Town of Delhi (the Town) is a participating employer in two cost sharing defined benefit pension plans. These plans are administered by the Municipal Employee's Retirement System of Louisiana (MERS) and Municipal Police Employee's Retirement System (MPERS). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of these plans to the State Legislature. Each system is administered by a separate board of trustees. Each of System issues an annual financial report that is available to the public which includes financial statements and required supplementary information for the Systems. These reports may be obtained by writing, calling, or downloading the reports as follows:

MERS: 7937 Office Park Boulevard | Baton Rouge, Louisiana 70809 | www.mersla.com
MPERS: 7722 Office Park Boulevard | Baton Rouge, Louisiana 70809 | www.lampers.org

Municipal Employees' Retirement System of Louisiana (MERS)

The Municipal Employees' Retirement System of Louisiana (MERS) is the administrator of a cost sharing multiple employers defined benefit pension plan. The System was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana. The System provides retirement benefits to employees of all incorporated villages, towns and cities within the State which do not have their own retirement system, and which elect to become members of the System. There is a Plan A and Plan B of which the Town of Delhi is a participant in Plan B only.

Municipal Police Employees' Retirement System (MPERS)

The Municipal Police Employees' Retirement System (MPERS) is the administrator of a cost-sharing multiple-employer plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211- 11:2233.

Funding Policy

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation

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of the Public Retirement Systems' Actuarial Committee (PRSAC).

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended September 30, 2025, for the Town and covered employees were as follows:

<u>Plan</u>	<u>Town</u>	<u>Employees</u>
MERS (Plan B)	13.5-14%	5.00%
MPERS	33.475-35.6%	10%

The contributions made to the Systems for the past three fiscal years were as followed:

<u>Plan</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
MERS (Plan B)	\$ 93,634	\$ 26,660	\$ 30,432
MPERS	52,763	18,494	15,376
Total	\$ 146,397	\$ 45,154	\$ 45,808

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The following schedule lists the Town's proportionate share of the Net Pension Liability, and the allocation percentages were used in calculating each employer's proportionate share of pension amounts. The Town uses this measurement to record its Net Pension Liability and associated amounts as of September 30, 2025 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2025 along with the change compared to the June 30, 2024 rate. The Town's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	<u>Net Pension</u>	<u>Current</u>	<u>Previous</u>	
	<u>Liability at June</u>	<u>Measurement</u>	<u>Measurement</u>	<u>Increase</u>
	<u>30, 2025</u>	<u>Rate</u>	<u>Rate</u>	<u>(Decrease)</u>
MERS	\$ 336,288	0.703397%	0.724760%	-0.021363%
MPERS	302,736	0.043836%	0.052579%	-0.008743%
Total	\$ 639,024			

The following schedule lists each pension plan's recognized pension expense (benefit) for the Town for the year ended June 30, 2025.

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	Pension
	Expense
MERS	\$ 46,294
MPERS	62,679
	<u>\$ 108,973</u>

At September 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

The Town reported a total of \$36,353 as deferred outflows of resources related to pension contributions made subsequent to the measurement period of June 30, 2025, which will be recognized as a reduction in net pension liability in the year ended September 30, 2025. The following schedule lists the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
MERS	\$ 23,683
MPERS	<u>12,670</u>
	<u><u>\$ 36,353</u></u>

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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Deferred Outflows of Resources:	MERS	MPERS	TOTAL
Differences between expected and actual experience	\$ -	\$ 14,679	\$ 14,679
Net difference between projected and actual investment earnings on investments	-	-	-
Changes of assumptions	-	-	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	66,517	66,517
Town contributions subsequent to the measurement date	<u>23,683</u>	<u>12,670</u>	<u>36,353</u>
Total deferred outflows of resources	<u>\$ 23,683</u>	<u>\$ 93,866</u>	<u>\$ 117,549</u>

Deferred Inflows of Resources:	MERS	MPERS	TOTAL
Differences between expected and actual experience	\$ 4,693	\$ 8,009	\$ 12,702
Net difference between projected and actual investment earnings on investments	12,150	23,847	35,997
Changes of assumptions	7,944	13,904	21,848
Changes in proportion and differences between Town contributions and proportionate share of contributions	<u>8,885</u>	<u>56,337</u>	<u>65,222</u>
Total deferred inflows of resources	<u>\$ 33,672</u>	<u>\$ 102,097</u>	<u>\$ 135,769</u>

Other amounts reported as deferred outflows or and deferred inflows related to pension

Year ending June 30:	MERS	MPERS	TOTAL
2026	\$ 11,163	\$ 58,377	\$ 69,540
2027	(21,204)	(30,357)	(51,561)
2028	(16,632)	(38,931)	(55,563)
2029	<u>(6,999)</u>	<u>(9,990)</u>	<u>(16,989)</u>
Total	<u>\$ (33,672)</u>	<u>\$ (20,901)</u>	<u>\$ (54,573)</u>

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2025, are as follows:

	Measurement/Valuation Date	Expected Remaining Service Lives	Investment Rate of Return
MERS	June 30, 2025	2 years	6.85%, net of pension plan investment expense, including inflation
MPERS	June 30, 2025	4 years	6.75%, net of investment expense

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Mortality:

MERS

Mortality rates for non-disabled are based on PubG-2010(B) Healthy Retiree Table set and PubG-2010(B) Employee Table set equal to 115% for males and 120% for females, each adjusted using their respective male and female MP2021 scales.

Mortality rates for disabled are based on PubNS-2010(B) Disabled Retiree Table set equal to 115% for male and 120% for females with full generational MP2021 scale.

MPERS

Mortality rates for non-disabled are based on Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Employees was set equal to 125% for males and 125% females, each with full generational projections using the MP2021 scale.

Mortality rates for disabled are based on Pub-2016 Public Retirement Plans Mortality Table Total Dataset for Safety Disabled Retirees are set equal to 125% for male and 125% for females with full generational projection using the MP2021 scale.

Salary Increases:

MERS

<u>Years of Service</u>	<u>Salary Growth Rate</u>
1-2	9.0%-Plan A and 9.5%-Plan B
Over 2	4.4%-Plan A and 4.6%-Plan B

MPERS

<u>Years of Service</u>	<u>Salary Growth Rate</u>
1-2	13.00%
Over 2	4.75%

Cost of Living Adjustments:

MERS

The System is authorized under state law to grant a cost-of-living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant an additional cost of living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

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MPERS

The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.

Discount Rate:

The following methods used by each of the retirement systems in determining the long-term rate of return on pension plan investments:

MERS

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense 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 expected inflation of 2.5% and an adjustment for the effect of rebalancing /diversification. The resulting expected long-term rate of return is 6.85% for the plan year ended June 30, 2025. The discount rate used to measure the total pension liability was 6.85% for the year ended June 30, 2025.

MPERS

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 following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the Retirement Systems target asset allocations as of June 30, 2025:

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Asset Class	Target Allocations		Long-Term Expected Real Rate of Return	
	MERS	MPERS	MERS	MPERS
Public Equity	53.00%	0.00%	2.31%	0.00%
Equity	0.00%	51.00%	0.00%	3.20%
Public Fixed Income	29.00%	0.00%	1.26%	0.00%
Fixed Income	0.00%	35.00%	0.00%	1.21%
Alternatives	18.00%	14.00%	0.78%	1.04%
Total	<u>100%</u>	<u>100%</u>	4.35%	5.45%
Inflation			2.50%	2.67%
Expected Arithmetic Nominal Return			<u>6.85%</u>	<u>8.12%</u>

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan'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 discount rate used to measure the total pension liability for MERS and MPERS were 6.85% and 6.75%, respectively for the year ended June 30, 2025.

Sensitivity to Changes in Discount Rate

The following table presents the Town's proportionate share of the Net Pension Liability (NPL) using the discount rate of each Retirement System as well as what the Town's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

MERS:

	Changes in Discount Rate		
	1% Decrease	Current Discount Rate	1% Increase
Discount Rates	5.85%	6.85%	7.85%
Net Pension Liability	\$ 580,094	\$ 336,288	\$ 130,179

MPERS:

	Changes in Discount Rate		
	1% Decrease	Current Discount Rate	1% Increase
Discount Rates	5.75%	6.75%	7.75%
Net Pension Liability	\$ 496,589	\$ 302,736	\$ 140,391

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Payables to the System

The Town recorded an accrued liability of \$11,098, for the System for the year ended, September 30, 2025, for the contractually required contribution for the month of September 2025. The amount is included in accounts and other payables in the statement of net position.

Note 13 - Cooperative Endeavor Agreements

On April 15, 2016, the Town and Delhi Area Fire Protection District No. 1 (the “District”) entered into a cooperative endeavor agreement with Delhi Volunteer Fire Department, Inc. effective April 1, 2016, and remains in effect until terminated by one or both parties for the Town to defray the expenses or cost associated with furnishing fire protection to the citizens of the District.

The Town agreed to pay the Fire Department a budgeted amount per month, with said budget to be approved annually by the Town of Delhi Town Council.

Note 14 - Contingencies and Risk Management

As of the date of this report, there were no pending or threatening litigation suits involving the Town. The Town is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance for all risks of loss, including workers’ compensation and employee health and accident insurance. There were no significant reductions in the insurance coverage during the fiscal year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior fiscal years. The Town participates in numerous state and federal grants programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustments by the grantor agencies; therefore, to the extent that the Town has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable as of September 30, 2025, may be impaired. In the opinion of Town management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

TOWN OF DELHI
DELHI, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Note 15 - Leases

Governmental Leases - Lessee

During 2023, the Town entered into lease agreements with Enterprise to provide 3 police vehicles for the Town. Lease terms are for 5 years with an interest rate per vehicle of 7.9 percent. In 2022, the Town leased 3 vehicles from Enterprise for use in public works. These leases have 5 year terms at an interest rate of 3.9 percent. An additional vehicle was leased in 2025, with a 5 year term and an interest rate of 6.9 percent.

The following is a schedule by years of future minimum lease payments:

<u>Year Ended</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 58,855	\$ 7,771
2027	56,806	3,911
2028	23,139	975
2029	6,035	158
2030	<u>712</u>	<u>11</u>
Total	<u>\$ 145,547</u>	<u>\$ 12,826</u>

As of September 30, 2025, the leased assets were valued at \$287,264 with accumulated amortization of \$150,373.

Business-Type Leases - Lessee

During 2023, the Town entered into a lease agreement with Enterprise to provide a vehicle for use by the Town's water system. The lease term is 5 years with an interest rate of 9.0 percent. An additional vehicle was leased in 2025, with a 5 year term and an interest rate of 6.7 percent.

The following is a schedule by years of future minimum lease payments:

<u>Year Ended</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 17,909	\$ 4,960
2027	19,379	3,483
2028	20,971	1,883
2029	9,387	779
2030	<u>6,611</u>	<u>165</u>
Total	<u>\$ 74,257</u>	<u>\$ 11,270</u>

As of September 30, 2025, the leased assets were valued at \$95,199 with accumulated amortization of \$23,619.

TOWN OF DELHI
DELHI, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Governmental Leases - Lessor

During 2023, the Town entered into an agreement as a lessor to lease manufacturing space. As of September 30, 2025, the Town had a lease receivable balance for lease payments of \$93,708 and a deferred inflow of resources of \$84,474 associated with the lease. The deferred inflow is recognized as lease revenue over the lease term.

The following is a schedule by years of future minimum principal and interest payments to be received:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 74,401	\$ 3,599
2027	19,307	193
Total	<u>\$ 93,708</u>	<u>\$ 3,792</u>

Note 16 - Notes Payable

In 2022, the Town entered into an agreement to purchase equipment for use in public works. The original amount of the obligation was \$78,147, bearing interest at 4.5 percent. In 2025, the Town entered into an agreement to purchase a backhoe. The original amount of the obligation was \$115,074, bearing interest at 5.5 percent.

The following is a schedule by years of future minimum principal and interest payments:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 34,359	\$ 7,053
2027	36,416	4,995
2028	29,693	2,923
2029	25,037	1,295
2030	9,792	70
Total	<u>\$ 135,297</u>	<u>\$ 16,336</u>

Note 17 - Subsequent Events

Subsequent events have been evaluated through September 28, 2026, the date that the financial statements were available to be issued. All subsequent events determined to be relevant and material to the financial statements have been appropriately recorded or disclosed.

TOWN OF DELHI
DELHI, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Note 18 - Prior Period Adjustments

Prior period adjustments were required to correct errors in reporting in the prior fiscal year. Two changes were made related to pensions. The first was to allocate a portion of the Net Pension Liability and related deferred inflows and outflows to the Water Fund. Also, deferred outflows were overstated due to contributions subsequent to the measurement date being overstated. These changes did not affect the governmental funds. Adjustments were also required to capitalize leases and recognize notes payable.

Governmental Activities

Net Position as previously stated September 30, 2024	\$ 12,341,245
Net Change in Net Position due to:	
Pension	109,367
Capitalization of leases and recognition of notes payable	<u>(42,220)</u>
Net Position as restated September 30, 2024	<u>\$ 12,408,392</u>
Fund Balance – General Fund as previously stated September 30, 2024	\$ 881,453
Net Change in Fund Balance due to:	
Capitalization of leases	<u>11,733</u>
Fund Balance – General Fund as restated September 30, 2024	<u>\$ 893,186</u>

Business-Type Activities

Net Position as previously stated September 30, 2024	\$ 20,175,105
Net Change in Net Position due to:	
Pension	<u>(273,190)</u>
Net Position as restated September 30, 2024	<u>\$ 19,901,915</u>

REQUIRED SUPPLEMENTARY INFORMATION (PART B)

TOWN OF DELHI, LOUISIANA
DELHI, LOUISIANA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
BUDGETARY FUND BALANCE				
BEGINNING OF YEAR	\$ 893,186	\$ 893,186	\$ 893,186	\$ -
Resources				
Ad Valorem Taxes	225,000	236,000	235,994	(6)
Other Taxes	94,000	92,000	94,692	2,692
Licenses and Permits	133,000	120,000	162,446	42,446
Intergovernmental				
Transportation Funds	6,200	6,200	4,160	(2,040)
Grants	25,000	69,000	76,550	7,550
Police Supplemental Pay	44,400	44,400	29,883	(14,517)
Fines	90,000	90,000	81,282	(8,718)
Garbage Collection	366,000	366,000	356,581	(9,419)
Use of Money and Property	9,000	9,000	22,511	13,511
Rent	119,945	117,345	107,600	(9,745)
Miscellaneous	97,650	77,650	109,358	31,708
Proceeds from Note and Lease	-	-	146,510	146,510
Transfers From Other Funds	1,242,100	1,247,100	842,100	(405,000)
Total Resources	<u>2,452,295</u>	<u>2,474,695</u>	<u>2,269,667</u>	<u>(205,028)</u>
Amounts available for appropriations	<u>3,345,481</u>	<u>3,367,881</u>	<u>3,162,853</u>	<u>(205,028)</u>
Charges to appropriations				
General Government	400,400	395,400	567,477	(172,077)
Public Safety	760,856	688,312	599,175	89,137
Public Works	585,126	565,792	279,879	285,913
Facility Maintenance	702,852	711,452	499,074	212,378
Capital Outlay	-	-	519,128	(519,128)
Debt Service	-	-	100,378	(100,378)
Transfers To Other Funds	-	-	21,500	(21,500)
Total Charges to appropriations	<u>2,449,234</u>	<u>2,360,956</u>	<u>2,586,611</u>	<u>(225,655)</u>
BUDGETARY FUND BALANCE				
END OF YEAR	<u>\$ 896,247</u>	<u>\$ 1,006,925</u>	<u>\$ 576,242</u>	<u>\$ (430,683)</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF DELHI
DELHI, LOUISIANA
SPECIAL REVENUES - SALES TAX FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Amended Budget	Actual Year to Date	Variance With Final Budget Positive (Negative)
BUDGETARY FUND BALANCE				
BEGINNING OF YEAR	\$ 4,171,572	\$ 4,171,572	\$ 4,171,572	\$ -
Resources				
Sales and Use Taxes	1,400,000	1,400,000	1,272,487	(127,513)
Use of Money and Property	15,350	15,350	16,295	945
Miscellaneous	-	-	1,700	1,700
Proceeds from Bond Issuance	-	1,370,000	1,370,000	-
Total Resources	<u>1,415,350</u>	<u>2,785,350</u>	<u>2,660,482</u>	<u>(124,868)</u>
Amounts available for appropriations	<u>5,586,922</u>	<u>6,956,922</u>	<u>6,832,054</u>	<u>(124,868)</u>
Charges to Appropriations				
General Government	115,950	107,650	123,847	(16,197)
Public Safety	331,000	331,000	314,050	16,950
Public Works	2,000	2,000	39,694	(37,694)
Recreation	85,500	16,300	14,777	1,523
Capital Outlay	25,000	1,616,000	1,007,880	608,120
Debt Service	-	-	35,757	(35,757)
Transfers Out	602,080	607,080	721,298	(114,218)
Total Charges to appropriations	<u>1,161,530</u>	<u>2,680,030</u>	<u>2,257,303</u>	<u>422,727</u>
BUDGETARY FUND BALANCE				
END OF YEAR	<u>\$ 4,425,392</u>	<u>\$ 4,276,892</u>	<u>\$ 4,574,751</u>	<u>\$ 297,859</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF DELHI, LOUISIANA
DELHI, LOUISIANA
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED SEPTEMBER 30, 2025

MERS

Year Ended September 30,	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2017	0.8250%	\$ 713,841	\$ 619,585	115.21%	70.08%
2018	0.8581%	\$ 725,807	\$ 648,987	111.84%	65.60%
2019	0.8846%	\$ 773,856	\$ 678,499	114.05%	64.68%
2020	0.7432%	\$ 673,464	\$ 655,053	102.81%	66.26%
2021	0.7012%	\$ 406,218	\$ 583,377	69.63%	79.14%
2022	0.7466%	\$ 653,790	\$ 551,600	118.53%	69.65%
2023	0.7353%	\$ 589,579	\$ 566,800	104.02%	73.25%
2024	0.7248%	\$ 439,765	\$ 636,441	69.10%	80.10%
2025	0.7034%	\$ 336,288	\$ 674,769	49.84%	84.91%

MPERS

Year Ended September 30,	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2017	0.0294%	\$ 256,439	\$ 87,054	294.57%	63.49%
2018	0.0376%	\$ 318,067	\$ 102,142	311.40%	71.89%
2019	0.0278%	\$ 252,116	\$ 100,605	250.60%	71.01%
2020	0.0278%	\$ 244,561	\$ 100,485	243.38%	70.94%
2021	0.0270%	\$ 143,951	\$ 88,656	162.37%	84.09%
2022	0.0270%	\$ 282,574	\$ 69,600	406.00%	84.09%
2023	0.0455%	\$ 480,674	\$ 71,530	671.99%	71.30%
2024	0.0526%	\$ 476,364	\$ 198,658	239.79%	75.84%
2025	0.0438%	\$ 302,736	\$ 150,470	201.19%	81.94%

This schedule is to be build prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE September 30, 2017.

*The amounts presented have a measurement date of the previous fiscal year end.

TOWN OF DELHI, LOUISIANA
DELHI, LOUISIANA
SCHEDULE OF THE EMPLOYER'S PENSION CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

MERS

Year Ended September 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as % of Covered Employee Payroll
2017	\$ 67,362	\$ 71,276	(3,914)	\$ 619,585	11.51%
2018	\$ 84,259	\$ 86,776	(2,517)	\$ 648,987	13.37%
2019	\$ 94,674	\$ 91,707	2,967	\$ 655,053	14.00%
2020	\$ 80,629	\$ 83,762	(3,133)	\$ 583,377	14.36%
2021	\$ 84,074	\$ 85,498	(1,424)	\$ 551,600	15.50%
2022	\$ 85,650	\$ 86,776	(1,126)	\$ 566,800	15.31%
2023	\$ 97,816	\$ 94,340	3,476	\$ 608,647	15.50%
2024	\$ 102,344	\$ 96,049	6,295	\$ 636,441	15.09%
2025	\$ 93,592	\$ 93,634	(42)	\$ 674,769	13.88%

MPERS

Year Ended September 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as % of Covered Employee Payroll
2017	\$ 27,859	\$ 27,364	495	\$ 87,054	31.44%
2018	\$ 34,142	\$ 30,847	3,295	\$ 102,142	30.20%
2019	\$ 27,959	\$ 32,455	(4,496)	\$ 100,485	32.30%
2020	\$ 26,562	\$ 29,105	(2,543)	\$ 88,656	32.83%
2021	\$ 27,809	\$ 25,894	1,915	\$ 69,600	37.20%
2022	\$ 29,300	\$ 26,750	2,550	\$ 71,530	37.40%
2023	\$ 48,165	\$ 50,529	(2,364)	\$ 150,148	33.65%
2024	\$ 62,880	\$ 65,294	(2,414)	\$ 198,658	32.87%
2025	\$ 52,772	\$ 52,763	9	\$ 150,470	35.07%

This schedule is to be build prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE September 30, 2017.

For reference only:

¹ *Employer contribution rate multiplied by employer's covered employee payroll*

² *Actual employer contributions remitted to the respective pension funds*

³ *Employer's covered employee payroll amount for the fiscal year ended.*

TOWN OF DELHI
DELHI, LOUISIANA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Note 1 - Budgets

1. Budgetary and Budgetary Accounting

The Town of Delhi follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. A proposed budget is prepared and submitted to the Town of Delhi for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
- b. A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
- d. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
- e. All budgetary appropriations lapse at the end of each fiscal year.
- f. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Town of Delhi. Such amendments, except for capital outlay, were not material in relation to the original appropriations.

2. Basis of Accounting

All the Town's budgets are prepared on the modified accrual basis of accounting.

TOWN OF DELHI
DELHI, LOUISIANA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Note 2 - Pension Plan - Net Pension Liability

Changes of Benefit Terms

Municipal Employees' Retirement System (Plan B)

No changes.

Municipal Police Employees' Retirement System

No changes.

Changes of Assumptions

Municipal Employees' Retirement System (Plan B)

No changes.

Municipal Police Employees' Retirement System

No changes.

The Assumption rate remained consistent.

SUPPLEMENTARY INFORMATION

TOWN OF DELHI, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
SEPTEMBER 30, 2025

Agency Head	Mayor Jesse Washington
Salary	\$ 72,134
Retirement Contributions	10,002
Reimbursements	<u>5</u>
Total	<u><u>\$ 82,141</u></u>

TOWN OF DELHI, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO COUNCIL MEMBERS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

The schedule of compensation paid to council members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of Louisiana Legislature. Compensation of the council members is included in the general government expenditures of the General Fund. The council members receive compensation pursuant to Louisiana Revised Statute 404.1.

Bernard McDowell	\$	9,600
Larry Rancher		9,600
William McKinney		9,600
Gerald Smith		9,600
Nicholas Burgess		9,600
	\$	<u>48,000</u>

TOWN OF DELHI, LOUISIANA
DELHI, LOUISIANA
COLLECTING/DISBURSING ENTITY SCHEDULE
AS REQUIRED BY ACT 87 OF 2020 REGULAR LEGISLATIVE SESSION
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	First Six Month Period Ended 3/30/2025	Second Six Month Period Ended 9/30/2025
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ -	\$ -
Add: Collections		
Criminal Court Costs/Fees	26,436	54,846
Total Collections	<u>26,436</u>	<u>54,846</u>
Less: Disbursements To Governments & Nonprofits:		
Louisiana Supreme Court	<i>Criminal Court Costs/Fees</i> 525	1,167
LA Commission on Law Enforcement	<i>Criminal Court Costs/Fees</i> 1,429	3,122
Louisiana Department of Health	<i>Criminal Court Costs/Fees</i> 610	1,450
Less: Amounts Retained by Collecting Agency		
Amounts Self Disbursed for Criminal Court Costs/Fees	23,872	49,107
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Other Disbursements to Individuals	-	-
Total Disbursements/Retainage	<u>26,436</u>	<u>54,846</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand) \$	-	\$ -

See independent auditors' report.

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

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West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

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

To the Honorable Jesse Washington, Mayor
and the Members of the Town Council
Town of Delhi
Delhi, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, of the Town of Delhi, Louisiana (the Town), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated September 28, 2026.

Report on Internal Control Over Financial Reporting

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

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. Given these limitations, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

To the Honorable Jesse Washington, Mayor
and the Members of the Town Council
Town of Delhi
Delhi, Louisiana
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as Findings 2025-001 and 2025-002.

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 audit performed 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.

Cameron Hines & Company (APAC)

West Monroe, Louisiana
September 28, 2026

TOWN OF DELHI, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the basic government financial statements of the Town of Delhi, Louisiana.
2. No material weakness were disclosed relating to the audit of the basic financial statements.
3. Two instances of noncompliance material to the financial statements of the Town of Delhi, Louisiana, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No federal single audit was required under the Uniform Guidance relating to the financial statements of the Town of Delhi, Louisiana.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

This section is not applicable.

FINDINGS – FINANCIAL STATEMENT AUDIT

2025-001 Budget Authority and Control

Criteria

Under Louisiana law, statute 39:1311 requires the budget to be amended when actual revenues and other sources fall short of budgeted revenues and other sources or actual expenditures and other uses exceed budgeted expenditures and other uses by more than five percent within a fund.

Condition

It was noted that actual revenues in the General fell short of total budgeted revenues and actual expenditures in the General Fund exceeded the total budgeted expenditures by more than five percent.

Cause

The Town amended the budgets in these funds once throughout the fiscal year. However, the actual revenues fell short of the total budgeted revenues and the actual expenditures in the fund exceeded the total budgeted expenditures by more than five percent.

Effect

The Town is not in compliance with state budget law.

Recommendation

We recommend the Town monitor its budget on a regular basis so amendments can be made in order to comply with state budget laws.

Management's Response:

In the future, the Town will more closely monitor the budget to ensure the variance does not exceed five percent in order to remain in compliance with the Local Government Budget Act.

TOWN OF DELHI, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2025

2025-002 Late Filing of Audit Report

Criteria:

LA Revised Statute 33:463 requires the Town to produce and transmit an annual financial report to the Louisiana Legislative Auditor with six months of the close of the fiscal year.

Condition:

The Town did not submit its annual report for the year ended September 30, 2025, by the statutory deadline.

Cause:

The Town was unable to engage an auditor in adequate time to complete the September 30, 2025, report before the deadline.

Effect:

The Town was not in compliance with state statute.

Recommendation:

It is recommended that the Town produce and submit its financial statements before the statutory deadline.

Management's Response:

The Town has taken steps to ensure that it will produce and submit its annual financial statements in a timely manner in the future.

TOWN OF DELHI, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

FINDINGS – FINANCIAL STATEMENT AUDIT

2024-01 LA Budget Act

Condition

The Town failed to comply with the Louisiana Local Government Budget Act (LGBA) amendment requirements.

Criteria

In accordance with the Louisiana Local Government Budget Act (Louisiana Revised Statutes 39:1301 through 1315), any major fund or general fund budget should be amended when actual revenues are less than the budgeted amount by more than five percent or when actual costs are more than the budgeted amount by more than five percent.

Recommendation

The Town should monitor revenues and costs for each fund and amend the budgets when actual revenues are less than the budgeted amounts by more than five percent or when actual costs are more than the budgeted amounts by more than five percent.

Status:

This finding is repeated as 2025-001.

Town of Delhi, Louisiana

*Independent Accountants' Report on
Applying Agreed-Upon Procedures*

For the Year Ended September 30, 2025



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Governing Board Town of Delhi
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 October 1, 2024, through September 30, 2025. The Town of Delhi's management is responsible for those C/C areas identified in the SAUPs.

The Town of Delhi (the Town) 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 October 1, 2024, through September 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 whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:¹
 - i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - iii. **Disbursements**, including processing, reviewing, and approving.
 - iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the

¹ For governmental organizations, the practitioner may eliminate those categories and subcategories not applicable to the organization's operations. For quasi-public organizations, including nonprofits, the practitioner may eliminate those categories and subcategories not applicable to public funds administered by the quasi-public.

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).

- v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. ***Ethics***², including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Findings: Sixteen exceptions noted where subcategories were not addressed in the Town's written policies and procedures.

2) Board or Finance Committee³

- 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

² The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the nonprofit should have written policies and procedures relating to ethics.

³ These procedures are not applicable to entities managed by a single elected official, such as a sheriff or assessor.

- 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.
- 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 funds⁴, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds⁵ if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- 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.
- 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.⁶

Findings: No exceptions noted.

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 accounts⁷ (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:
 - 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);
 - 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
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

⁴Proprietary fund types are defined under GASB standards and include enterprise and internal service funds. The related procedure addresses these funds as a way to verify that boards are provided with financial information necessary to make informed decisions about entity operations, including proprietary operations that are not required to be budgeted under the Local Government Budget Act.

⁵ R.S. 24:513 (A)(1)(b)(iv) defines public funds.

⁶ No exception is necessary if management's opinion is that the cost of taking corrective action for findings related to improper segregation of duties or inadequate design of controls over the preparation of the financial statements being audited exceeds the benefits of correcting those findings.

⁷ Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

Findings: One exception noted where there were outstanding items for more than 12 months and no written documentation reflecting that these items have been researched.

4) Collections (excluding electronic funds transfers)⁸

- A. Obtain a listing of deposit sites⁹ 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).
- B. For each deposit site selected, obtain a listing of collection locations¹⁰ 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;
 - 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;
 - 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
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- 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). *Alternatively, 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.¹¹
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

⁸ The Collections category is not required to be performed if the entity has a third-party contractor performing all collection functions (e.g., receiving collections, preparing deposits, and making deposits).

⁹ A deposit site is a physical location where a deposit is prepared and reconciled.

¹⁰ A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit. For example, in a school district a collection location may be a classroom and a deposit site may be the school office. For school boards only, the practitioner should consider the deposit site and collection location to be the same if there is a central person (secretary or bookkeeper) through which collections are deposited.

¹¹ The practitioner is not required to test for completeness of revenues relative to classroom collections by teachers.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe that the deposit was made within one business day of receipt¹² 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).
- v. Trace the actual deposit per the bank statement to the general ledger.

Findings: No exceptions noted.

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).
- B. For each location selected under procedure #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;
 - ii. At least 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;
 - 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
 - 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.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

- C. For each location selected under procedure #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 that deliverables included on the invoice were received by the entity, and

¹² As required by Louisiana Revised Statute 39:1212.

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

Findings: No exceptions noted.

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 cards¹³. Obtain management's representation that the listing is 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
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- 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)¹⁴. 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.

¹³ Including cards used by school staff for either school operations or student activity fund operations.

¹⁴ For example, if 3 of the 5 cards selected were fuel cards, transactions would only be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #7B were fuel cards, procedure #7C would not be applicable.

Findings: No exceptions noted.

7) Travel and Travel-Related Expense Reimbursements¹⁵ (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
- 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);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - 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
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: Four exceptions noted where the reimbursement was not approved, in writing, by someone other than the person receiving reimbursement.

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. *Alternatively, 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
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law¹⁶ (e.g., solicited quotes or bids, advertised), if required by law;
 - 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);
 - 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

¹⁵ Non-travel reimbursements are not required to be inspected under this category.

¹⁶ If the entity has adopted the state Procurement Code, replace "Louisiana Public Bid Law" with "Louisiana Procurement Code."

contract terms (e.g., if approval is required for any amendment, the documented approval); and

- 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.

Findings: One exception noted where the payment selected from the fiscal period did not agree to the contract terms. One exception noted where a contract was not on file for one the Town had listed as a contract. Therefore, we could not test attributes iii and iv.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials¹⁷ 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.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials¹⁸ documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- 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 records, 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.
- 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.

¹⁷ "Officials" would include those elected, as well as board members who are appointed.

¹⁸ Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.

Findings: No exceptions noted.

10) Ethics¹⁹

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

Findings: No exceptions noted.

11) Debt Service²⁰

- 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.
- 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).

Findings: No exceptions noted.

12) Fraud Notice²¹

- 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

¹⁹ The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the procedures should be performed.

²⁰ This AUP category is generally not applicable to nonprofit entities. However, if applicable, the procedures should be performed.

²¹ Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs and the notice is available for download at www.la.gov/hotline

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.

- 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.

Findings: No exceptions noted.

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 there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
 - 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.
 - 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.
- 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.
- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency’s information technology assets have completed cybersecurity training as required by R.S. 42:1267²². The requirements are as follows:
- i. Hired before June 9, 2020 - completed the training; and
 - ii. Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Findings: We performed the procedure and discussed the results with management.

²² While it appears to be a good practice for charter schools to ensure its employees are trained to keep their information technology assets safe from cyberattack, charter schools do not appear required to comply with 42:1267. An individual charter school, though, through specific provisions of its charter, may mandate that all employees/officials receive cybersecurity training.

14) Prevention of Sexual Harassment²³

- 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.
- B. Observe that 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).
- 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:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Findings: One exception noted where an employee did not have sexual harassment training documentation.

Management's Response

We agree with the results of the procedures and will address the identified exceptions.

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

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

²³ While it appears to be a good practice for charter schools to ensure it has policies and training for sexual harassment, charter schools do not appear required to comply with the Prevention of Sexual Harassment Law (R.S. 42:341 et seq). An individual charter school, through the specific provisions of its charter, may mandate sexual harassment training.

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.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
September 28, 2026