

TOWN OF ARNAUDVILLE, LOUISIANA

Financial Report

Year Ended June 30, 2026

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INDEPENDENT AUDITOR'S REPORT

* A Professional Accounting Corporation

The Honorable Todd Meche, Mayor
and Members of the Board of Aldermen
Town of Arnaudville, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Arnaudville (Town), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Arnaudville, as of June 30, 2026, 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 Auditor's 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.

Change in Accounting Principle

As described in Note 18, the Town adopted new accounting guidance, GASB Statement No. 101, Compensated Absences and GASB Statement No. 103, Financial Reporting Model Improvements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we exercise professional judgement and maintain professional skepticism throughout the audit. We 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. We 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. We 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. We conclude whether, in our judgement, 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 budgetary comparison information, schedule of employer's share of net pension liability and schedule of employer contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's 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.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Arnaudville's basic financial statements. The accompanying comparative statements and justice system funding schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the comparative statements and the justice system funding schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The prior year comparative information on these statements has been derived from the Town of Arnaudville's 2025 financial statements, which was 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 and, in our opinion, was fairly presented, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2026, on our consideration of the Town of Arnaudville, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Town of Arnaudville, Louisiana's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 9, 2026

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Net Position
June 30, 2026

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing demand deposits	\$ 1,782,014	\$ 1,169,249	\$ 2,951,263
Interest-bearing time deposits	404,773	802,993	1,207,766
Investments	161,364	490,306	651,670
Receivables, net	19,451	132,399	151,850
Internal balances	58,010	(58,010)	-
Due from other governmental units	110,206	35,000	145,206
Prepaid items	13,504	17,554	31,058
Total current assets	<u>2,549,322</u>	<u>2,589,491</u>	<u>5,138,813</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing demand deposits	-	72,317	72,317
Capital assets:			
Land	186,668	58,209	244,877
Capital assets, net	<u>1,905,219</u>	<u>4,633,302</u>	<u>6,538,521</u>
Total noncurrent assets	<u>2,091,887</u>	<u>4,763,828</u>	<u>6,855,715</u>
Total assets	<u>4,641,209</u>	<u>7,353,319</u>	<u>11,994,528</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>371,267</u>	<u>65,175</u>	<u>436,442</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	17,856	31,165	49,021
Customers deposits payable	<u>-</u>	<u>72,317</u>	<u>72,317</u>
Total current liabilities	<u>17,856</u>	<u>103,482</u>	<u>121,338</u>
Noncurrent liabilities:			
Compensated absences	26,635	17,202	43,837
Net pension liability	<u>675,907</u>	<u>251,073</u>	<u>926,980</u>
Total noncurrent liabilities	<u>702,542</u>	<u>268,275</u>	<u>970,817</u>
Total liabilities	<u>720,398</u>	<u>371,757</u>	<u>1,092,155</u>
DEFERRED INFLOWS OF RESOURCES	<u>198,666</u>	<u>30,358</u>	<u>229,024</u>
NET POSITION			
Net investment in capital assets	2,091,887	4,691,511	6,783,398
Restricted for sales tax dedications	1,858,154	-	1,858,154
Unrestricted (deficit)	<u>143,371</u>	<u>2,324,868</u>	<u>2,468,239</u>
Total net position	<u>\$ 4,093,412</u>	<u>\$ 7,016,379</u>	<u>\$ 11,109,791</u>

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

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2026

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 419,168	\$ 141,749	\$ -	\$ -	\$ (277,419)	\$ -	\$ (277,419)
Public safety:							
Police	793,719	99,775	85,755	-	(608,189)	-	(608,189)
Streets	136,055	-	5,425	25,185	(105,445)	-	(105,445)
Community center	17,154	-	-	-	(17,154)	-	(17,154)
Parks and recreation	84,870	-	30,378	-	(54,492)	-	(54,492)
Total governmental activities	<u>1,450,966</u>	<u>241,524</u>	<u>121,558</u>	<u>25,185</u>	<u>(1,062,699)</u>	<u>-</u>	<u>(1,062,699)</u>
Business-type activities:							
Gas	364,773	417,680	-	-	-	52,907	52,907
Water	558,718	557,959	-	-	-	(759)	(759)
Sewer	292,027	232,375	-	92,333	-	32,681	32,681
Sanitation	64	-	-	-	-	(64)	(64)
Total business-type activities	<u>1,215,582</u>	<u>1,208,014</u>	<u>-</u>	<u>92,333</u>	<u>-</u>	<u>84,765</u>	<u>84,765</u>
Total	<u>\$ 2,666,548</u>	<u>\$ 1,449,538</u>	<u>\$ 121,558</u>	<u>\$ 117,518</u>	<u>(1,062,699)</u>	<u>84,765</u>	<u>(977,934)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					62,990	56,085	119,075
Sales and use taxes, levied for general purposes					944,229	-	944,229
Franchise taxes					82,189	-	82,189
Grants and contributions not restricted to specific programs -							
State sources					43,973	-	43,973
Non-employer pension contribution					28,375	9,294	37,669
Interest and investment earnings					44,823	47,942	92,765
Miscellaneous					18,937	-	18,937
Transfers					55,000	(55,000)	-
Total general revenues and transfers					<u>1,280,516</u>	<u>58,321</u>	<u>1,338,837</u>
Change in net position					217,817	143,086	360,903
Net position - July 1, 2025					<u>3,875,595</u>	<u>6,873,293</u>	<u>10,748,888</u>
Net position - June 30, 2026					<u>\$ 4,093,412</u>	<u>\$ 7,016,379</u>	<u>\$ 11,109,791</u>

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

MAJOR FUNDS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

1969 Sales Tax Fund -

To account for the receipt and use of proceeds of the Town's 1969 1% sales and use tax. These taxes are dedicated for the purpose of constructing, acquiring, improving and maintaining police department stations and equipment, garbage and waste disposal facilities, streets, drains and drainage facilities; compensating policemen; maintaining sewers and sewerage disposal works; and purchasing and acquiring the necessary equipment and furnishings for the aforesaid public works, improvements and facilities.

1982 Sales Tax Fund -

To account for the receipt and use of proceeds of the Town's 1982 1% sales and use tax. These taxes are dedicated for the purpose of constructing, acquiring, improving, operating, and/or maintaining public streets, bridges, sidewalks, drainage facilities, recreational facilities and garbage and waste disposal facilities; and purchasing and acquiring the necessary land, equipment, and furnishings for any of the aforesaid public works, improvements and facilities.

Enterprise Fund

Utility Fund -

To account for the provision of gas, water, sewerage and limited sanitation services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

TOWN OF ARNAUDVILLE, LOUISIANA

Balance Sheet Governmental Funds June 30, 2026

	General	1969 Sales Tax Special Revenue	1982 Sales Tax Special Revenue	Non-major Funds	Total
ASSETS					
Cash and interest-bearing demand deposits	\$ 366,749	\$ 499,090	\$ 878,165	\$ 38,010	\$ 1,782,014
Interest-bearing time deposits	-	184,398	42,848	177,527	404,773
Investments	-	72,700	88,664	-	161,364
Receivables:					
Other	17,211	41	-	-	17,252
Interest	-	1,113	347	739	2,199
Due from other governmental units	25,000	42,603	42,603	-	110,206
Due from other funds	173	5,276	4,744	55,000	65,193
Prepaid items	13,504	-	-	-	13,504
Total assets	<u>\$ 422,637</u>	<u>\$ 805,221</u>	<u>\$ 1,057,371</u>	<u>\$ 271,276</u>	<u>\$ 2,556,505</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 13,418	\$ 4,438	\$ -	\$ -	\$ 17,856
Due to other funds	7,183	-	-	-	7,183
Total liabilities	<u>20,601</u>	<u>4,438</u>	<u>-</u>	<u>-</u>	<u>25,039</u>
Fund balances -					
Nonspendable (prepaid items)	13,504	-	-	-	13,504
Restricted for sales tax dedications	-	800,783	1,057,371	-	1,858,154
Assigned for capital projects	-	-	-	271,276	271,276
Unassigned	388,532	-	-	-	388,532
Total fund balances	<u>402,036</u>	<u>800,783</u>	<u>1,057,371</u>	<u>271,276</u>	<u>2,531,466</u>
Total liabilities and fund balances	<u>\$ 422,637</u>	<u>\$ 805,221</u>	<u>\$ 1,057,371</u>	<u>\$ 271,276</u>	<u>\$ 2,556,505</u>

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

TOWN OF ARNAUDVILLE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2026

Total fund balances for governmental funds			\$2,531,466
Total net position reported for governmental activities in the statement of net position is different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:			
Capital assets, net			2,091,887
The deferred outflows of expenditures for the municipal and police employees retirement systems are not a use of current resources, and therefore, are not reported in the funds.			371,267
Long-term liabilities of governmental activities are not payable from current resources and, therefore, not reported in the funds. These liabilities consist of:			
Compensated absences payable	\$	(26,635)	
Net pension liability		<u>(675,907)</u>	(702,542)
The deferred inflows of contributions for the municipal and police employees retirement systems are not available resources, and therefore, are not reported in the funds.			<u>(198,666)</u>
Total net position of governmental activities			<u>\$4,093,412</u>

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

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2026

	General	1969 Sales Tax Special Revenue	1982 Sales Tax Special Revenue	2% Set Aside Capital Projects	Non-major Funds	Total
Revenues:						
Taxes	\$ 145,179	\$ 472,113	\$ 472,116	\$ -	\$ -	\$ 1,089,408
Licenses and permits	141,749	-	-	-	-	141,749
Intergovernmental	74,583	85,755	-	-	-	160,338
Fines and forfeits	99,775	-	-	-	-	99,775
Miscellaneous	49,315	8,683	28,693	-	7,447	94,138
Total revenues	<u>510,601</u>	<u>566,551</u>	<u>500,809</u>	<u>-</u>	<u>7,447</u>	<u>1,585,408</u>
Expenditures:						
Current -						
General government	316,521	26,498	19,780	-	130	362,929
Public safety - police	258,868	485,094	-	-	-	743,962
Streets	10,537	-	34,476	-	-	45,013
Community center	17,154	-	-	-	-	17,154
Parks and recreation	67,490	-	4,078	-	-	71,568
Capital outlay	46,933	54,520	-	-	-	101,453
Total expenditures	<u>717,503</u>	<u>566,112</u>	<u>58,334</u>	<u>-</u>	<u>130</u>	<u>1,342,079</u>
Excess (deficiency) of revenues over expenditures	<u>(206,902)</u>	<u>439</u>	<u>442,475</u>	<u>-</u>	<u>7,317</u>	<u>243,329</u>
Other financing sources (uses):						
Transfers in	400,000	-	-	-	55,000	455,000
Transfers out	-	-	(400,000)	-	-	(400,000)
Total other financing sources (uses)	<u>400,000</u>	<u>-</u>	<u>(400,000)</u>	<u>-</u>	<u>55,000</u>	<u>55,000</u>
Net changes in fund balances	193,098	439	42,475	-	62,317	298,329
Fund balances, beginning	208,938	800,344	1,014,896	195,059	13,900	2,233,137
Changes in financial reporting entity (changes in major funds)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(195,059)</u>	<u>195,059</u>	<u>-</u>
Fund balances, ending	<u>\$ 402,036</u>	<u>\$ 800,783</u>	<u>\$ 1,057,371</u>	<u>\$ -</u>	<u>\$ 271,276</u>	<u>\$ 2,531,466</u>

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

TOWN OF ARNAUDVILLE, 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 June 30, 2026

Total net changes in fund balance for the year ended June 30, 2026 per statement of revenues, expenditures, and changes in fund balances	\$ 298,329
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The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 101,453	
Depreciation expense	(210,248)	
Loss on disposal of asset	<u>(2,014)</u>	(110,809)

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	\$ (14,627)	
Decrease in pension expense	<u>16,549</u>	1,922

Non-employer's contributions to the municipal employees and the police employees pension plans

28,375

Total net changes in net position for the year ended June 30, 2026 per statement of activities	<u>\$ 217,817</u>
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The accompanying notes are an integral part of the basic financial statements.

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Net Position
Proprietary Fund
June 30, 2026

	<u>Enterprise Fund</u>
ASSETS	
Current assets:	
Cash and interest-bearing demand deposits	\$ 1,169,249
Interest-bearing time deposits	802,993
Investments	490,306
Receivables:	
Accounts	130,347
Other	2,052
Due from other governmental units	35,000
Prepaid items	<u>17,554</u>
Total current assets	<u>2,647,501</u>
Noncurrent assets:	
Restricted assets -	
Cash and interest-bearing demand deposits	72,317
Capital assets -	
Land	58,209
Capital assets, net	<u>4,633,302</u>
Total noncurrent assets	<u>4,763,828</u>
Total assets	<u>7,411,329</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>65,175</u>
LIABILITIES	
Current liabilities:	
Accounts payable	10,002
Due to other funds	58,010
Accrued liabilities	21,163
Payable from restricted assets -	
Customers' deposits payable	<u>72,317</u>
Total current liabilities	<u>161,492</u>
Noncurrent liabilities:	
Compensated absences	17,202
Net pension liability	<u>251,073</u>
Total noncurrent liabilities	<u>268,275</u>
Total liabilities	<u>429,767</u>
DEFERRED INFLOWS OF RESOURCES	<u>30,358</u>
NET POSITION	
Net investment in capital assets	4,691,511
Unrestricted	<u>2,324,868</u>
Total net position	<u>\$ 7,016,379</u>

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

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position -
Proprietary Fund
For the Year Ended June 30, 2026

	<u>Enterprise Fund</u>
Operating revenues:	
Charges for services -	
Gas charges	\$ 392,096
Water charges	537,454
Sewer service charges	227,345
Miscellaneous	<u>51,119</u>
Total operating revenues	<u>1,208,014</u>
Operating expenses:	
Salaries	278,958
Payroll taxes and retirement	13,456
Gas purchases	108,938
Supplies, repairs and maintenance	261,422
Professional fees	43,384
Telephone	10,871
Depreciation	354,230
Insurance	61,163
Utilities	47,600
Fire department expense	3,072
Office supplies	16,854
Miscellaneous	<u>15,634</u>
Total operating expenses	<u>1,215,582</u>
Operating loss	<u>(7,568)</u>

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position -
Proprietary Fund (Continued)
For the Year Ended June 30, 2026

	<u>Enterprise Fund</u>
Noncapital subsidies:	
Ad valorem taxes	56,085
Transfers out	<u>(55,000)</u>
Total noncapital subsidies	<u>1,085</u>
 Operating loss and noncapital subsidies	 <u>(6,483)</u>
Other nonoperating revenues (expenses):	
Capital contributions	92,333
Non-employer pension contribution	9,294
Interest income	<u>47,942</u>
Total other nonoperating revenues (expenses)	<u>149,569</u>
 Increase in fund net position	 143,086
 Fund net position, beginning	 <u>6,873,293</u>
 Fund net position, ending	 <u>\$ 7,016,379</u>

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

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2026

	<u>Enterprise Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$ 1,198,785
Payments to suppliers	(671,159)
Payments to employees	(228,969)
Net cash provided by operating activities	<u>298,657</u>
Cash flows from noncapital financing activities:	
Cash owed to other funds	35,716
Transfers from other funds	(55,000)
Increase in customer deposits payable	1,850
Ad valorem tax receipts	56,085
Net cash provided by noncapital financing activities	<u>38,651</u>
Cash flows from capital and related financing activities:	
Acquisition of property, plant and equipment	(248,003)
Capital contributions	57,333
Net cash used by capital and related financing activities	<u>(190,670)</u>
Cash flows from investing activities:	
Maturities of investments, net of purchases	(180,702)
Interest on interest-bearing deposits	64,974
Net cash used by investing activities	<u>(115,728)</u>
Net increase in cash and cash equivalents	30,910
Cash and cash equivalents, beginning of period	<u>1,210,656</u>
Cash and cash equivalents, end of period	<u>\$ 1,241,566</u>

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Cash Flows
Proprietary Fund (Continued)
For the Year Ended June 30, 2026

	<u>Enterprise Fund</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (7,568)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	354,230
Pension benefit	(58,429)
Changes in current assets and liabilities:	
Increase in accounts receivable	(9,229)
Increase in prepaid items	(6,706)
Increase in accounts payable	8,034
Increase in accrued liabilities	13,309
Increase in compensated absences	5,016
Total adjustments	<u>306,225</u>
Net cash provided by operating activities	<u>\$ 298,657</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the statement of net position:	
Cash and cash equivalents, beginning of period -	
Cash - unrestricted	\$ 1,140,189
Cash - restricted	<u>70,467</u>
Total cash and cash equivalents	<u>1,210,656</u>
Cash and cash equivalents, end of period -	
Cash - unrestricted	1,169,249
Cash - restricted	<u>72,317</u>
Total cash and cash equivalents	<u>1,241,566</u>
Net increase	<u>\$ 30,910</u>

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Arnaudville (Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The Town of Arnaudville was incorporated in 1909 under the provisions of the Lawrason Act. The Town operates under the Mayor-Board of Aldermen form of government.

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but 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. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be 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.

There are no component units over which the Town exercises significant control.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, except the fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange 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.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Fund Financial Statements (FFS)

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Town are classified into two categories: governmental and proprietary (enterprise). 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.

The Town reports the following major governmental funds:

Governmental Funds -

General Fund

The General 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

1969 Sales Tax Fund -

The 1969 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes. These taxes are described in note 3.

1982 Sales Tax Fund -

The 1982 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes. These taxes are described in note 3.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

The Town reports the following major enterprise funds:

Utility Fund -

This fund accounts for operations of the gas, water, sewer and sanitation services (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 (expenses, including depreciation) 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.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with accounting standards.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used.

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 they are needed.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Town. For the purpose of the proprietary fund Statement of Cash Flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Investments

Under state law, the Town may deposit funds with a fiscal agent organized under the laws of the State 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 offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. In accordance with GASB Codification Section 150, investments meeting the criteria specified in the Statement are stated at fair value, which is quoted market prices.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Short-term interfund loans are reported as “interfund receivables and payables.” Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

Receivables

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. Through the establishment of an allowance account, uncollectible amounts due from customers’ utility receivables are determined based on the Town’s collection history. The allowance for uncollectible for customers utility receivables at June 30, 2026 was \$8,190. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing at the end of the month are \$56,854 at June 30, 2026.

Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. The Town maintains a threshold level of \$1,000 or more for capitalizing capital assets. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets’ estimated useful lives using the straight-line method of depreciation.

The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	40 years
Equipment and vehicles	3-10 years
Utility system and improvements	10-50 years
Infrastructure	40 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Prior to the adoption of GASB 34, it was the Town's policy not to record infrastructure; therefore, the Town did not have a complete listing of infrastructure. However, through the years, a partial list of infrastructure was maintained. The Town has opted not to do a detailed analysis of existing infrastructure. Rather, infrastructure for which cost information is available is reported prospectively.

Restricted Assets

Restricted assets include cash, interest-bearing deposits, and investments of the proprietary fund that are legally restricted as to their use. The restricted assets are related to utility meter deposits.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of the revenue bonds payable and utility meter deposits payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures of revenues, respectively. At June 30, 2026, the Town's deferred outflows and inflows of resources are attributable to its pension plans.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Compensated Absences

Town employees are entitled to certain compensated absences based upon their length of service.

Vacation leave is earned at the rate of five days to twenty days per year. Vacation leave earned does not accumulate from year to year. However, all vacation leave accumulated at the time of separation is payable.

Sick leave is earned at the rate of one day per month not to exceed ten days in one year. Employees are allowed to accumulate and carryforward up to thirty days of sick leave from year to year. Accumulated sick leave is not payable at time of separation.

At June 30, 2026, employees of the Town have accumulated and vested \$43,837 of compensated absence benefits. The estimated liabilities include required salary-related payments.

Equity Classifications

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

- a. Net investment in capital assets – This component consists of net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – This component is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Town's debt. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets. Constraints may be placed on the use, either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Town typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project. At June 30, 2026, the Town reported \$1,858,154 of restricted net position, all of which was restricted by enabling legislation.
- c. Unrestricted net position – This component consists of all other net position that does not meet the definition of the above two components and is available for general use by the Town.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balances of the governmental funds are classified as follows.

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Town's Mayor and Board of Aldermen, which is the highest level of decision-making authority for the Town.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Town's adopted policy, only the Mayor and Board of Aldermen may assign amounts for specified purposes.
- e. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town has provided otherwise in his commitment or assignment actions.

Enterprise (Utility) Fund equity at the fund level is classified the same as in the government-wide statements.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, governmental funds expenditures are classified by character and proprietary fund expenses are classified by operating and nonoperating.

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

F. Revenue Restrictions

The Town has various restrictions placed over certain revenue sources from state or local requirements. The Town uses unrestricted resources only when restricted resources are fully depleted. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 3

G. Use of Estimates

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

H. Pensions

The net pension liability, deferred outflows of resources, and deferred inflows of resources related to pension, and pension expense has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. Non-employer contributions are recognized as revenues in the government-wide financial statements. In the governmental fund financial statements contributions are recognized as expenditures when due.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to taxpayers in December. Billed taxes become delinquent on January 1 of the following year. The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessors of St. Martin and St. Landry Parishes. Town property tax revenues are budgeted in the year billed.

For the year ended June 30, 2026, taxes of 12.23 mills were levied on property with assessed valuations totaling \$8,740,897 and were dedicated as follows:

General corporate purposes	5.50 mills
Utility system	6.73 mills

Total taxes levied were \$106,901. There are no taxes receivable amounts at June 30, 2026.

(3) Sales and Use Tax

Proceeds of a 1 percent sales and use tax (accounted for in the 1969 Sales Tax Fund - a special revenue fund) levied by the Town (2026 collections \$472,113) are dedicated to the following purposes:

Constructing, acquiring, improving and maintaining police department stations and equipment, garbage and waste disposal facilities, streets, drains and drainage facilities; compensating policemen; maintaining sewers and sewerage disposal works; and purchasing and acquiring the necessary equipment and furnishings for the aforesaid public works, improvements and facilities.

Proceeds of a 1 percent sales and use tax (accounted for in the 1982 Sales Tax Fund - a special revenue fund) levied by the Town (2026 collections \$472,116) are dedicated to the following purposes:

Constructing, acquiring, improving, operating and/or maintaining public streets, bridges, sidewalks, drainage facilities, recreational facilities and garbage and waste disposal facilities; and purchasing and acquiring the necessary land, equipment, and furnishings for any of the aforesaid public works, improvements and facilities.

The above sales taxes were issued in perpetuity.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(4) Cash and Interest-Bearing Deposits

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Town may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At June 30, 2026, the Town had cash and interest-bearing deposits (book balances) totaling \$4,231,346 as follows:

Demand deposits	\$3,023,580
Time deposits	<u>1,207,766</u>
Total	<u>\$4,231,346</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Town's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Town or the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) as of June 30, 2026 were secured as follows:

Bank balances	<u>\$4,422,257</u>
Federal deposit insurance	1,000,000
Pledged securities	<u>3,422,257</u>
Total FDIC insurance and pledged securities	<u>\$4,422,257</u>

Deposits in the amount of \$3,422,257 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Town's name. Even though the pledged securities are considered uncollateralized, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand. The Town does not have a policy for custodial credit risk.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(5) Investments

As of June 30, 2026, the Town had the following investments:

Investment Type	% of Portfolio	Fair Value	Less Than One Year	One - Five Years
State Investment Pool (LAMP)	100%	\$ 651,670	\$ 651,670	\$ -

The Town participates in the Louisiana Asset Management Pool (LAMP). 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 pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investment. The financial statements for LAMP may be accessed on their website (<https://www.lamppool.com>). The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA R.S. 33:2955.

The investment in LAMP is not exposed to custodial credit 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 in 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. Credit risk is the risk that an issuer or other counter party to an investment will be unable to meet its obligations. LAMP is rated AAAM by Standard & Poor's. Interest rate risk is the risk that changes in interest rates will adversely affect the estimated fair value of an investment. 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 a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investment as of June 30, 2026, is 78 days.

The investments of LAMP are stated at fair value which 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 asset value of the pooled shares. LAMP 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.

LAMP's financial statements can be obtained by contacting LAMP at 650 Poydras Street, Suite 200 New Orleans, Louisiana 70130, or by contacting the administrative office at 800-249-5267, and the financial statements are also available on the Louisiana Legislative Auditors website at <https://lla.la.gov>.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(6) Receivables

Receivables as of June 30, 2026 of \$151,850 consist of the following:

	Governmental Activities	Business-type Activities	Total
Accounts, net	\$ -	\$ 130,347	\$ 130,347
Franchise taxes	17,211	-	17,211
Interest	2,199	2,052	4,251
Other	41	-	41
Totals	<u>\$ 19,451</u>	<u>\$ 132,399</u>	<u>\$ 151,850</u>

(7) Due from Other Governmental Units

Amounts due from other governmental units as of June 30, 2026 consisted of the following:

Fund Financial Statements:

Governmental Funds-

St. Landry Parish School Board:

Sales tax revenues \$ 85,206

State of Louisiana:

Grant revenues 25,000

Total governmental funds \$ 110,206

Proprietary Funds -

State of Louisiana:

Grant revenues \$ 35,000

Governmental-wide financial statements:

Total amount reported in-

Governmental Funds, from above \$ 110,206

Proprietary Funds, from above 35,000

Total amounts due from other governments \$ 145,206

(8) Restricted Assets

Restricted assets in the business-type activities consisted of the following as of June 30, 2026:

Customers' deposits \$ 72,317

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(9) Capital Assets

Capital asset activity for the year ended June 30, 2026 was as follows:

	Balance 7/1/2025	Additions	Deletions	Balance 6/30/2026
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 186,668	\$ -	\$ -	\$ 186,668
Other capital assets:				
Buildings and improvements	1,282,106	37,058	-	1,319,164
Infrastructure	2,187,540	-	-	2,187,540
Equipment and vehicles	585,460	64,395	62,406	587,449
Totals	<u>4,241,774</u>	<u>101,453</u>	<u>62,406</u>	<u>4,280,821</u>
Less accumulated depreciation				
Buildings and improvements	659,192	51,449	-	710,641
Infrastructure	966,598	97,752	-	1,064,350
Equipment and vehicles	413,288	61,047	60,392	413,943
Total accumulated depreciation	<u>2,039,078</u>	<u>210,248</u>	<u>60,392</u>	<u>2,188,934</u>
Governmental activities, capital assets, net	<u>\$ 2,202,696</u>	<u>\$ (108,795)</u>	<u>\$ 2,014</u>	<u>\$ 2,091,887</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 58,209	\$ -	\$ -	\$ 58,209
Other capital assets:				
Plant and equipment - gas	1,006,161	8,727	-	1,014,888
Plant and equipment - water system	4,781,891	77,065	-	4,858,956
Plant and equipment - sewer system	3,911,782	65,866	-	3,977,648
Auto and office equipment	498,487	96,345	-	594,832
Totals	<u>10,256,530</u>	<u>248,003</u>	<u>-</u>	<u>10,504,533</u>
Less accumulated depreciation				
Plant and equipment - gas	341,042	17,862	-	358,904
Plant and equipment - water system	2,068,059	173,528	-	2,241,587
Plant and equipment - sewer system	2,299,731	132,600	-	2,432,331
Auto and office equipment	749,960	30,240	-	780,200
Total accumulated depreciation	<u>5,458,792</u>	<u>354,230</u>	<u>-</u>	<u>5,813,022</u>
Business-type activities, capital assets, net	<u>\$ 4,797,738</u>	<u>\$ (106,227)</u>	<u>\$ -</u>	<u>\$ 4,691,511</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 68,408
Police	37,496
Streets	91,042
Park and recreation	13,302
Total depreciation expense	<u>\$ 210,248</u>

Depreciation expense was charged to business-type activities as follows:

Gas	\$ 28,446
Water	187,438
Sewer	138,346
Total depreciation expense	<u>\$ 354,230</u>

(10) Accounts and Other Payables

The accounts, salaries, and other payables consisted of the following at June 30, 2026:

	Governmental Activities	Business-Type Activities	Total
Accounts	\$ 17,856	\$ 10,002	\$ 27,858
Accrued liabilities	-	21,163	21,163
Totals	<u>\$ 17,856</u>	<u>\$ 31,165</u>	<u>\$ 49,021</u>

(11) Changes in Compensated Absences

The following is a summary of compensated absences as of June 30, 2026:

	Governmental Activities	Business-Type Activities	Total
Compensated absence payable at July 1, 2025	\$ 12,008	\$ 12,186	\$ 24,194
Net change	14,627	5,016	19,643
Compensated absence payable at June 30, 2026	<u>\$ 26,635</u>	<u>\$ 17,202</u>	<u>\$ 43,837</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(12) Pension Plans

The Town participates in two cost-sharing defined benefit plans, each administered by separate public employee retirement systems. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all plans administered by these public employee retirement systems to the State Legislature. These plans are not closed to new entrants. Substantially all Town employees participate in one of the following retirement systems:

Plan Descriptions:

Municipal Employees' Retirement Systems (MERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:1731 and 11:1781. The Town participates in Plan A.

State of Louisiana - Municipal Police Employees' Retirement System (MPERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:2211 and 11:2220.

The systems' financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Interest income is recognized when earned.

A brief summary of eligibility and benefits of the plans are provided in the following table:

	MERS	MPERS
Final average salary	Final average compensation	Highest 36 months or 60 months ²
Years of service required and/or age eligible for benefits	25 years of any age 10 years age 60 20 years any age ¹	25 years of any age 20 years age 55 12 years age 55 20 years any age ¹ 30 years any age ³ 25 years age 55 ³ 10 years age 60 ³
Benefit percent per years of service	3.00%	2.50 - 3.33% ⁴

¹ With actuarial reduced benefits

² Membership commencing January 1, 2013

³ Under non hazardous duty sub plan commencing January 1, 2013

⁴ Membership commencing January 1, 2013 non hazardous duty plan 2.5%, hazardous duty plan 3.0%, membership prior to January 1, 2013 3.33%.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Contributions

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 of the Public Retirement Systems' Actuarial Committee. Contributions of employees, employers, and non-employer contributing entities effective for the year ended June 30, 2026 for the defined benefit pension plans in which the Town is a participating employer were as follows:

<u>Plan</u>	<u>Active Member Contribution Percentage</u>	<u>Employer Contribution Percentage</u>	<u>Nonemployer Contributing Entities</u>	<u>Government Contributions</u>
MERS	10.00%	27.00%	\$ 13,366	\$ 91,721
MPERS	10.00%	33.39%	24,303	131,731
Total			<u>\$ 37,669</u>	<u>\$ 223,452</u>

Net Pension Liability

The Town's net pension liability as of June 30, 2026, is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the Town is a participating employer. The Town's net pension liability for each plan was measured as of the plan's measurement date (June 30, 2025, for both plans) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportionate share of the net pension liability for each of the plans in which it participates was based on the Town's required contributions in proportion to total required contributions for all employers. As of the most recent measurement date, the Town's proportion for each plan and the change in proportion from the prior measurement date were as follows:

<u>Plan</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Proportionate Share (%) of Net Pension Liability</u>	<u>Increase/(Decrease) from Prior Measurement Date</u>
MERS	\$ 361,087	0.157527%	0.000619%
MPERS	565,893	0.081941%	-0.015492%
Total	<u>\$ 926,980</u>		

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Since the measurement date of the net pension liability was June 30, 2025, the net pension liability is based upon fiduciary net position for each of the plans as of those dates. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the Town's net pension liability is available in the separately issued plan financial reports for those fiscal years. The financial report for each plan may be accessed on their website as follows:

MERS - <http://www.mersla.com/>

MPERS - <http://lampers.org/>

Actuarial Assumptions

The following table provides information concerning actuarial assumptions used in the determination of the total pension liability for each of the defined benefit plans in which the primary government is a participating employer:

	MERS	MPERS
Date of experience study on which significant assumptions are based	7/1/2018 - 6/30/2023	7/1/2019 - 6/30/2024
Actuarial cost method	Entry Age Normal	Entry Age Normal
Investment rate of return	6.85%, net of investment expense	6.75%, net of investment expense
Expected remaining service lives	3	4
Inflation rate	2.5%	2.5%
Projected salary increases	4.4% - 9.0%	4.75% - 13.00%
Projected benefit changes including COLAs	None	None
Source of mortality assumptions	(1), (2), (3)	(4), (5), (6)

- (1) PubG-2010(B) Healthy Retiree Table set equal to 115% for males and 120% for females, each adjusted using their respective male and female MP2021 scales
- (2) PubG-2010(B) Employee Table set equal to 115% for males and 120% for females, adjusted using their respective male and female MP2021 scales
- (3) PubNS-2010(B) Disabled Retiree Table set equal to 115% for males and 120% for females with the full generational MP2021 scales
- (4) Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Employees was used multiplied by 125% for males and 125% for females, each with full generational projection using the MP2021 scale
- (5) Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees was used multiplied by 125% for males and 125% for females, each with full generational projection using the MP2021 scale
- (6) Pub-2016 Public Retirement Plans Mortality Table Total Dataset for Safety Disabled Retirees was used multiplied by 125% for males and 125% for females, each with full generational projection using the MP2021 scale

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Cost of Living Adjustments

The pension plans in which the Town participates have the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis.

Pursuant to LRS 11:242(B), the power of the Board of Trustees of the statewide systems (MERS and MPERS) to grant a COLA is effective in calendar years that the legislature fails to grant a COLA, unless in the legislation granting a COLA, the legislature authorizes the Board of Trustees to provide an additional COLA. The authority to grant a COLA by the Board is subject to the funded status and interest earnings. The effects of the benefit changes made as a result of the COLAs is included in the measurement of the total pension liability as of the measurement date at which the ad hoc COLA was granted and the amount is known and reasonably estimable.

Long-term Rate of Return

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

The target allocation and best estimates of arithmetic/geometric real rates of return for each major asset class are summarized for each plan in the following tables:

Asset Class	MERS		MPERS	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Equities	53.00%	2.31%	51.00%	3.20%
Fixed Income	29.00%	1.26%	35.00%	1.21%
Alternative Investments	<u>18.00%</u>	<u>0.78%</u>	<u>14.00%</u>	<u>1.04%</u>
Totals	<u>100%</u>	4.35%	<u>100%</u>	5.45%
Inflation		<u>2.50%</u>		<u>2.67%</u>
Expected arithmetic nominal return		<u>6.85%</u>		<u>8.12%</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended June 30, 2026, the Town recognized \$11,543 in pension benefit related to MERS, and \$160,017 in pension expense related to MPERS.

At June 30, 2026, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources			
	MERS	MPERS	Total
Difference between expected and actual experience	\$ 821	\$ 27,438	\$ 28,259
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	1,191	183,540	184,731
Contributions subsequent to the measurement date	91,721	131,731	223,452
Total	<u>\$ 93,733</u>	<u>\$342,709</u>	<u>\$ 436,442</u>

Deferred Inflows of Resources			
	MERS	MPERS	Total
Difference between expected and actual experience	\$ 6,022	\$ 14,972	\$ 20,994
Net differences between projected and actual earnings on plan investments	23,280	44,576	67,856
Changes of assumptions	1,309	25,990	27,299
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	13,049	99,826	112,875
Total	<u>\$ 43,660</u>	<u>\$ 185,364</u>	<u>\$ 229,024</u>

Deferred outflows of resources of \$233,452 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending June 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

<u>Year Ended June 30,</u>	MERS	MPERS	Total
2027	\$ 9,105	\$ 134,084	\$ 143,189
2028	(22,723)	(18,852)	(41,575)
2029	(19,518)	(70,946)	(90,464)
2030	(8,512)	(18,672)	(27,184)
	<u>\$ (41,648)</u>	<u>\$ 25,614</u>	<u>\$ (16,034)</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Discount Rate

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 positions 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 was 6.85%, a decrease of .00% from the prior year. The discount rate used to measure the total pension liability for MPERS was 6.75%, a decrease of .00% from the prior year.

Sensitivity of the Government's Proportional Share of the Net Pension Liabilities to Changes in the Discount Rate:

The following presents the Government's proportionate shares of the net pension liabilities of the plans, calculated using their respective discount rates, as well as what the Government's proportionate shares of the net pension liabilities would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Plan	Current Discount Rate	Net Pension Liability		
		1% Decrease	Current Discount Rate	1% Increase
MERS	6.850%	\$ 592,291	\$ 361,087	\$ 166,000
MPERS	6.750%	928,256	565,893	262,427
Total		<u>\$ 1,520,547</u>	<u>\$ 926,980</u>	<u>\$ 428,427</u>

Payables to the Pension Plans

At June 30, 2026, the Town's payables were \$14,566 and \$16,931 to MERS and MPERS, respectively, for the month of June 2026, which were the contractually required contributions.

(13) Compensation of Town Officials

A detail of compensation paid to the Mayor, Chief of Police, and Board of Aldermen for the year ended June 30, 2026 follows:

Todd Meche, Mayor	\$ 25,002
Josh Ross, Chief of Police	44,990
Aldermen:	
Jamie Huval	5,400
Debra Kidder	5,400
John Taylor	5,400
Virginia LeCompte	5,400
Ryan Courville	5,400
	<u>\$ 96,992</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(14) Compensation, Reimbursements, Benefits, and Other Payments to Entity Head

Under Act 706, the Town of Arnaudville is required to disclose the compensation, reimbursements, benefits, and other payments made to the mayor, in which the payments are related to the position. The following is a schedule of payments made to Todd Meche, Mayor for the year ended June 30, 2026:

Salary	\$ 25,002
Benefits - retirement	2,500
Reimbursements	619
	<u>\$ 28,121</u>

(15) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2026:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental Funds:		
General Fund	\$ 173	\$ 7,183
1969 Sales Tax Special Revenue Fund	5,276	-
1982 Sales Tax Special Revenue Fund	4,744	-
Other Governmental Funds	55,000	-
Enterprise Fund:		
Utility Fund	-	58,010
Total	<u>\$ 65,193</u>	<u>\$ 65,193</u>

Transfers are recorded in the year in which they were budgeted. However, the amounts are not always paid in that same year; therefore, causing balances as noted above. These balances are expected to be paid within the next fiscal year.

B. Interfund Transfers

Interfund transfers consisted of the following at June 30, 2026:

	<u>Interfund Transfers In</u>	<u>Interfund Transfers Out</u>
Governmental Funds:		
General Fund	\$ 400,000	\$ -
1982 Sales Tax Special Revenue Fund	-	400,000
Other Governmental Funds	55,000	-
Enterprise Fund:		
Utility Fund	-	55,000
Total	<u>\$ 455,000</u>	<u>\$ 455,000</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Transfers made to the General Fund are for the normal operations of the Town. The amounts each fund will transfer are calculated as part of the budget preparation process. These amounts reflect each fund's proportionate share of expenses paid out of the General Fund.

(16) Risk Management

The Town is exposed to risks of loss in the areas of general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(17) Pending Litigation

At June 30, 2026, the Town is not involved in lawsuits and is not aware of unasserted claims.

(18) New Accounting Guidance

During the fiscal year, the Town adopted the requirements of Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. The implementation of this standard has no material effect on the Town's financial statements for the year ended June 30, 2026.

In April 2024, GASB issued Statement No. 103, Financial Reporting Model Improvements. The objective of GASB Statement No. 103 is to improve key components of the financial reporting model to provide information that is essential for decision making and assessing governmental accountability. The requirements of GASB Statement No. 103 are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Town implemented the provisions of GASB Statement No. 103 for the fiscal year ended June 30, 2026.

The implementation of GASB Statement No. 103 resulted in changes to the presentation and disclosure of certain financial information, including the classification and presentation of revenues and expenses for proprietary funds and budgetary comparison information. The implementation of GASB Statement No. 103 did not result in a material change to the Town's net position or changes in net position.

**REQUIRED SUPPLEMENTARY
INFORMATION**

TOWN OF ARNAUDVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2026

	Budget		Variance between Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
	Original	Final			
Revenues:					
Taxes	\$ 133,676	\$ 139,189	\$ 5,513	\$ 145,179	\$ 5,990
Licenses and permits	110,229	116,100	5,871	141,749	25,649
Intergovernmental	38,497	46,125	7,628	74,583	28,458
Fines and forfeits	20,270	99,000	78,730	99,775	775
Miscellaneous	50,264	39,570	(10,694)	49,315	9,745
Total revenues	<u>352,936</u>	<u>439,984</u>	<u>87,048</u>	<u>510,601</u>	<u>70,617</u>
Expenditures:					
Current-					
General government	336,088	335,378	710	316,521	18,857
Public safety - police	277,437	265,841	11,596	258,868	6,973
Streets	11,500	12,700	(1,200)	10,537	2,163
Community center	19,110	19,000	110	17,154	1,846
Parks and recreation	64,598	63,448	1,150	67,490	(4,042)
Capital outlay	16,000	45,363	(29,363)	46,933	(1,570)
Total expenditures	<u>724,733</u>	<u>741,730</u>	<u>(16,997)</u>	<u>717,503</u>	<u>24,227</u>
Deficiency of revenues over expenditures	<u>(371,797)</u>	<u>(301,746)</u>	<u>70,051</u>	<u>(206,902)</u>	<u>94,844</u>
Other financing sources (uses):					
Transfers in	<u>400,000</u>	<u>400,000</u>	<u>-</u>	<u>400,000</u>	<u>-</u>
Total other financing sources (uses)	<u>400,000</u>	<u>400,000</u>	<u>-</u>	<u>400,000</u>	<u>-</u>
Net change in fund balances	28,203	98,254	70,051	193,098	94,844
Fund balance, beginning	<u>208,938</u>	<u>208,938</u>	<u>-</u>	<u>208,938</u>	<u>-</u>
Fund balance, ending	<u>\$ 237,141</u>	<u>\$ 307,192</u>	<u>\$ 70,051</u>	<u>\$ 402,036</u>	<u>\$ 94,844</u>

See notes to required supplementary information.

TOWN OF ARNAUDVILLE, LOUISIANA
1969 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2026

	Budget		Variance between Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
	Original	Final			
Revenues:					
Taxes	\$ 440,000	\$ 440,000	\$ -	\$ 472,113	\$ 32,113
Intergovernmental	40,200	73,955	33,755	85,755	11,800
Miscellaneous	-	4,675	4,675	8,683	4,008
Total revenues	<u>480,200</u>	<u>518,630</u>	<u>38,430</u>	<u>566,551</u>	<u>47,921</u>
Expenditures:					
General government -					
Bank charges	150	30	120	20	10
Collection fees	4,100	4,100	-	3,635	465
Professional fees	<u>22,950</u>	<u>24,650</u>	<u>(1,700)</u>	<u>22,843</u>	<u>1,807</u>
Total general government	<u>27,200</u>	<u>28,780</u>	<u>(1,580)</u>	<u>26,498</u>	<u>2,282</u>
Public safety - police -					
Salaries	252,000	298,000	(46,000)	300,548	(2,548)
Supplemental pay	40,200	49,140	(8,940)	47,682	1,458
Worker's compensation	20,000	22,500	(2,500)	20,919	1,581
Payroll taxes and retirement	104,300	113,800	(9,500)	114,355	(555)
Miscellaneous	<u>1,715</u>	<u>500</u>	<u>1,215</u>	<u>1,590</u>	<u>(1,090)</u>
Total public safety	<u>418,215</u>	<u>483,940</u>	<u>(65,725)</u>	<u>485,094</u>	<u>(1,154)</u>
Capital outlay	<u>18,000</u>	<u>49,801</u>	<u>(31,801)</u>	<u>54,520</u>	<u>(4,719)</u>
Total expenditures	<u>463,415</u>	<u>562,521</u>	<u>(99,106)</u>	<u>566,112</u>	<u>(3,591)</u>
Excess of revenues over expenditures	16,785	(43,891)	(60,676)	439	44,330
Fund balance, beginning	<u>800,344</u>	<u>800,344</u>	<u>-</u>	<u>800,344</u>	<u>-</u>
Fund balance, ending	<u>\$ 817,129</u>	<u>\$ 756,453</u>	<u>\$ (60,676)</u>	<u>\$ 800,783</u>	<u>\$ 44,330</u>

See notes to required supplementary information.

TOWN OF ARNAUDVILLE, LOUISIANA
1982 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2026

	<u>Budget</u>		<u>Variance between Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>			
Revenues:					
Taxes	\$ 440,000	\$ 440,000	\$ -	\$ 472,116	\$ 32,116
Miscellaneous	22,805	30,000	7,195	28,693	(1,307)
Total revenues	<u>462,805</u>	<u>470,000</u>	<u>7,195</u>	<u>500,809</u>	<u>30,809</u>
Expenditures:					
General government -					
Bank charges	305	305	-	20	285
Collection fees	4,100	4,100	-	3,635	465
Professional fees	<u>15,900</u>	<u>17,400</u>	<u>(1,500)</u>	<u>16,125</u>	<u>1,275</u>
Total general government	20,305	21,805	(1,500)	19,780	2,025
Streets -					
Utilities - street lighting	32,810	33,700	(890)	34,476	(776)
Culture and recreation -					
Park utilities	<u>4,025</u>	<u>4,025</u>	<u>-</u>	<u>4,078</u>	<u>(53)</u>
Total expenditures	<u>57,140</u>	<u>59,530</u>	<u>(2,390)</u>	<u>58,334</u>	<u>1,196</u>
Excess of revenues over expenditures	405,665	410,470	4,805	442,475	32,005
Other financing uses:					
Transfers out	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>	<u>(400,000)</u>	<u>-</u>
Net change in fund balance	5,665	10,470	4,805	42,475	32,005
Fund balance, beginning	<u>1,014,896</u>	<u>1,014,896</u>	<u>-</u>	<u>1,014,896</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,020,561</u>	<u>\$ 1,025,366</u>	<u>\$ 4,805</u>	<u>\$ 1,057,371</u>	<u>\$ 32,005</u>

See notes to required supplementary information.

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2026

Year Ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Municipal Employees' Retirement System:					
2017	\$ 804,945	0.196390%	\$ 350,864	229.4%	62.11%
2018	647,405	0.154755%	281,051	230.4%	62.49%
2019	685,551	0.165565%	302,277	226.8%	63.94%
2020	778,058	0.186198%	344,688	225.7%	64.68%
2021	850,877	0.196807%	376,166	226.2%	64.52%
2022	529,442	0.190344%	376,916	140.5%	77.82%
2023	848,445	0.204285%	376,039	225.6%	67.87%
2024	617,288	0.168895%	340,600	181.2%	73.25%
2025	361,087	0.157527%	319,640	113.0%	80.10%
2026	361,087	0.157527%	327,402	110.3%	83.47%
Municipal Police Employees' Retirement System:					
2017	582,905	0.062191%	171,548	339.8%	66.04%
2018	516,204	0.059127%	174,955	295.0%	70.08%
2019	430,472	0.050919%	150,271	286.5%	71.89%
2020	307,605	0.033871%	105,028	292.9%	71.01%
2021	259,746	0.028104%	86,708	299.6%	70.94%
2022	182,193	0.034179%	104,271	174.7%	84.09%
2023	411,038	4.021200%	116,088	354.1%	70.80%
2024	710,378	0.067239%	227,780	311.9%	71.30%
2025	565,893	0.081941%	318,775	177.5%	75.80%
2026	565,893	0.081941%	330,717	171.1%	81.90%

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

See notes to required supplementary information.

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Employer Contributions
For the Year Ended June 30, 2026

<u>Year Ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
Municipal Employees' Retirement System:					
2017	\$ 63,939	\$ 63,939	-	\$ 281,051	22.75%
2018	111,142	111,142	-	302,277	36.77%
2019	89,619	89,619	-	344,688	26.00%
2020	104,386	104,386	-	376,166	27.75%
2021	111,142	111,142	-	376,916	29.49%
2022	114,749	114,749	-	376,039	30.52%
2023	100,285	100,285	-	340,600	29.44%
2024	94,182	94,182	-	319,640	29.47%
2025	91,768	91,768	-	327,402	28.03%
2026	91,721	91,721	-	339,703	27.00%
Municipal Police Employees' Retirement System:					
2017	55,548	55,548	-	174,955	31.75%
2018	46,208	46,208	-	150,271	30.75%
2019	33,872	33,872	-	105,028	32.25%
2020	28,180	28,180	-	86,708	32.50%
2021	35,192	35,192	-	104,271	33.75%
2022	37,401	37,401	-	116,088	32.22%
2023	71,224	71,224	-	227,780	31.27%
2024	107,800	107,800	-	318,775	33.82%
2025	118,307	118,307	-	330,717	35.77%
2026	131,731	131,731	-	394,578	33.39%

See notes to required supplementary information.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Required Supplementary Information For the Year Ended June 30, 2026

(1) Budget and Budgetary Accounting

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

1. The Town Clerk submits, no later than 15 days prior to the beginning of each fiscal year, to the Mayor and Board of Aldermen a proposed operating budget.
2. 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.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen.

(2) Pension Plans

Changes of Assumptions - Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plans. These assumptions include the rate of investment return, mortality of plan members, rate of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plans.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Required Supplementary Information (Continued)
For the Year Ended June 30, 2026

(3) Excess of Expenditures Over Appropriations

For the year ended June 30, 2026, the following funds had actual expenditures over appropriations, at the functional level, as follows:

Fund and Function	Budget	Actual	Excess
General Fund:			
Parks and recreation	\$ 63,448	\$ 67,490	\$ (4,042)
Capital outlay	45,363	46,933	(1,570)
1969 Sales Tax Special Revenue Fund:			
Public safety	483,940	485,094	(1,154)
Capital outlay	49,801	54,520	(4,719)
1982 Sales Tax Special Revenue Fund:			
Streets	33,700	34,476	(776)
Culture and recreation	4,025	4,078	(53)

(4) Budgetary Comparison Schedules Significant Variances

Significant variances in the budgetary comparisons include the following at June 30, 2026:

	<u>Variance</u>
Original budget to final budget:	
General Fund-	
Revenues:	
Fines and forfeits were increased for the increase in tickets issued.	\$ 78,730
1969 Sales Tax Special Revenue Fund-	
Revenues:	
Grant was received for new security cameras.	33,755
Expenditures:	
Police salaries were increased for additional officers hired.	46,000
Capital outlay was increased for the purchase of security cameras.	31,801
Final budget to actual:	
General Fund-	
Revenues:	
\$25,000 grant for new floors was not included in budget.	28,458
1969 Sales Tax Special Revenue Fund-	
Revenues:	
The Town experienced an increase in revenue for taxes.	32,113
1982 Sales Tax Special Revenue Fund-	
Revenues:	
The Town experienced an increase in revenue for taxes.	32,116

SUPPLEMENTARY INFORMATION

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Net Position
June 30, 2026
With Comparative Totals for June 30, 2025

	2026			2025
	Governmental Activities	Business-Type Activities	Total	Total
ASSETS				
Current assets:				
Cash and interest-bearing demand deposits	\$ 1,782,014	\$ 1,169,249	\$ 2,951,263	\$ 2,691,391
Interest-bearing time deposits	404,773	802,993	1,207,766	1,661,826
Investments	161,364	490,306	651,670	-
Receivables, net	19,451	132,399	151,850	180,230
Internal balances	58,010	(58,010)	-	-
Due from other governmental units	110,206	35,000	145,206	85,236
Prepaid items	13,504	17,554	31,058	21,225
Total current assets	<u>2,549,322</u>	<u>2,589,491</u>	<u>5,138,813</u>	<u>4,639,908</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing demand deposits	-	72,317	72,317	70,467
Capital assets:				
Land	186,668	58,209	244,877	244,877
Capital assets, net	<u>1,905,219</u>	<u>4,633,302</u>	<u>6,538,521</u>	<u>6,755,557</u>
Total noncurrent assets	<u>2,091,887</u>	<u>4,763,828</u>	<u>6,855,715</u>	<u>7,070,901</u>
Total assets	<u>4,641,209</u>	<u>7,353,319</u>	<u>11,994,528</u>	<u>11,710,809</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>371,267</u>	<u>65,175</u>	<u>436,442</u>	<u>602,593</u>
LIABILITIES				
Current liabilities:				
Accounts, salaries and other payables	17,856	31,165	49,021	35,051
Customers' deposits payable	-	72,317	72,317	70,467
Total current liabilities	<u>17,856</u>	<u>103,482</u>	<u>121,338</u>	<u>105,518</u>
Noncurrent liabilities:				
Compensated absences	26,635	17,202	43,837	24,194
Net pension liability	<u>675,907</u>	<u>251,073</u>	<u>926,980</u>	<u>1,324,278</u>
Total noncurrent liabilities	<u>702,542</u>	<u>268,275</u>	<u>970,817</u>	<u>1,348,472</u>
Total liabilities	<u>720,398</u>	<u>371,757</u>	<u>1,092,155</u>	<u>1,453,990</u>
DEFERRED INFLOWS OF RESOURCES	<u>198,666</u>	<u>30,358</u>	<u>229,024</u>	<u>110,524</u>
NET POSITION				
Net investment in capital assets	2,091,887	4,691,511	6,783,398	7,000,434
Restricted for sales tax dedications	1,858,154	-	1,858,154	1,815,240
Unrestricted (deficit)	<u>143,371</u>	<u>2,324,868</u>	<u>2,468,239</u>	<u>1,933,214</u>
Total net position	<u>\$ 4,093,412</u>	<u>\$ 7,016,379</u>	<u>\$ 11,109,791</u>	<u>\$ 10,748,888</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Balance Sheet
General and Special Revenue Funds
June 30, 2026
With Comparative Amounts for June 30, 2025

	General		1969 Sales Tax Special Revenue		1982 Sales Tax Special Revenue	
	2026	2025	2026	2025	2026	2025
ASSETS						
Cash and interest-bearing demand deposits	\$ 366,749	\$ 178,822	\$ 499,090	\$ 514,551	\$ 878,165	\$ 843,929
Interest-bearing time deposits	-	-	184,398	249,434	42,848	128,350
Investments	-	-	72,700	-	88,664	-
Receivables:						
Other	17,211	33,942	41	41	-	-
Interest	-	-	1,113	2,815	347	2,391
Due from other governmental units	25,000	1,106	42,603	42,065	42,603	42,065
Due from other funds	173	882	5,276	-	4,744	2,531
Prepaid items	13,504	10,377	-	-	-	-
Total assets	<u>\$ 422,637</u>	<u>\$ 225,129</u>	<u>\$ 805,221</u>	<u>\$ 808,906</u>	<u>\$ 1,057,371</u>	<u>\$ 1,019,266</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 13,418	\$ 13,179	\$ 4,438	\$ 7,680	\$ -	\$ 4,370
Due to other funds	7,183	3,012	-	882	-	-
Total liabilities	<u>20,601</u>	<u>16,191</u>	<u>4,438</u>	<u>8,562</u>	<u>-</u>	<u>4,370</u>
Fund balances -						
Nonspendable (prepaid items)	13,504	10,377	-	-	-	-
Restricted:						
Sales tax dedications	-	-	800,783	800,344	1,057,371	1,014,896
Unassigned	388,532	198,561	-	-	-	-
Total fund balances	<u>402,036</u>	<u>208,938</u>	<u>800,783</u>	<u>800,344</u>	<u>1,057,371</u>	<u>1,014,896</u>
Total liabilities and fund balances	<u>\$ 422,637</u>	<u>\$ 225,129</u>	<u>\$ 805,221</u>	<u>\$ 808,906</u>	<u>\$ 1,057,371</u>	<u>\$ 1,019,266</u>

TOWN OF ARNAUDVILLE
Enterprise Fund
Utility Fund

Statement of Net Position
June 30, 2026
With Comparative Totals for June 30, 2025

	2026	2025
ASSETS		
Current assets:		
Cash and interest-bearing demand deposits	\$ 1,169,249	1,140,189
Interest-bearing time deposits	802,993	1,112,597
Investments	490,306	-
Receivables:		
Accounts	130,347	121,118
Other	2,052	19,084
Due from other funds	-	76,956
Due from other governmental units	35,000	-
Prepaid items	17,554	10,848
Total current assets	<u>2,647,501</u>	<u>2,480,792</u>
Noncurrent assets:		
Restricted assets -		
Cash and interest-bearing demand deposits	72,317	70,467
Capital assets -		
Land	58,209	58,209
Capital assets, net	4,633,302	4,739,529
Total noncurrent assets	<u>4,763,828</u>	<u>4,868,205</u>
Total assets	<u>7,411,329</u>	<u>7,348,997</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>65,175</u>	<u>64,889</u>
LIABILITIES		
Current liabilities:		
Accounts payable	10,002	1,968
Due to other funds	58,010	99,250
Accrued liabilities	21,163	7,854
Payable from restricted assets -		
Customers' deposits payable	72,317	70,467
Total current liabilities	<u>161,492</u>	<u>179,539</u>
Noncurrent liabilities:		
Compensated absences	17,202	12,186
Net pension liability	251,073	293,206
Total noncurrent liabilities	<u>268,275</u>	<u>305,392</u>
Total liabilities	<u>429,767</u>	<u>484,931</u>
DEFERRED INFLOWS OF RESOURCES	<u>30,358</u>	<u>55,662</u>
NET POSITION		
Net investment in capital assets	4,691,511	4,797,738
Unrestricted	2,324,868	2,075,555
Total net position	<u>\$ 7,016,379</u>	<u>6,873,293</u>

TOWN OF ARNAUDVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Departmental Statement of Revenues and Expenses, and Changes in Fund Net Position
Years Ended June 30, 2026 and 2025

	Totals		Gas	
	2026	2025	2026	2025
Operating revenues:				
Charges for services -				
Billings to customers	\$ 1,156,895	\$ 1,110,305	\$ 392,096	\$ 375,088
Delinquent charges	31,394	30,735	16,544	15,089
Other fees	19,725	58,239	9,040	48,182
Total operating revenues	<u>1,208,014</u>	<u>1,199,279</u>	<u>417,680</u>	<u>438,359</u>
Operating expenses:				
Salaries	278,958	258,873	27,854	26,620
Payroll taxes and retirement	13,456	13,620	2,554	2,020
Gas purchases	108,938	77,396	108,938	77,396
Supplies, repairs and maintenance	261,422	269,917	85,793	87,272
Professional fees	43,384	41,629	4,397	3,903
Telephone	10,871	6,301	8,713	5,051
Depreciation	354,230	329,293	17,862	17,634
Insurance	61,163	73,047	23,080	27,747
Utilities	47,600	40,690	2,427	2,150
Fire department expense	3,072	3,072	-	-
Office supplies	16,854	15,729	-	-
Miscellaneous	15,634	13,046	9,133	11,512
Allocation of administrative expense	-	-	74,022	69,517
Total operating expenses	<u>1,215,582</u>	<u>1,142,613</u>	<u>364,773</u>	<u>330,822</u>
Operating income (loss)	<u>(7,568)</u>	<u>56,666</u>	<u>\$ 52,907</u>	<u>\$ 107,537</u>
Noncapital subsidies:				
Ad valorem taxes	56,085	56,385		
Transfers in	-	34,376		
Transfers out	(55,000)	-		
Total noncapital subsidies	<u>1,085</u>	<u>90,761</u>		
Operating income (loss) and noncapital subsidies	<u>(6,483)</u>	<u>147,427</u>		
Other nonoperating revenues (expenses):				
Capital contributions	92,333	463,964		
Non-employer pension contribution	9,294	8,528		
Interest income	47,942	49,932		
Gain (loss) on sale of asset	-	(4,949)		
Total other nonoperating revenues (expenses)	<u>149,569</u>	<u>517,475</u>		
Change in net position	<u>143,086</u>	<u>664,902</u>		
Fund net position, beginning	<u>6,873,293</u>	<u>6,208,391</u>		
Fund net position, ending	<u>\$ 7,016,379</u>	<u>\$ 6,873,293</u>		

Water		Sewer		Sanitation		Administration	
2026	2025	2026	2025	2026	2025	2026	2025
\$ 537,454	\$ 502,884	\$ 227,345	\$ 231,885	\$ -	\$ 448	\$ -	\$ -
10,420	10,984	4,430	4,650	-	12	-	-
10,085	9,138	600	269	-	650	-	-
<u>557,959</u>	<u>523,006</u>	<u>232,375</u>	<u>236,804</u>	<u>-</u>	<u>1,110</u>	<u>-</u>	<u>-</u>
115,706	106,432	45,860	44,726	-	-	89,538	81,095
4,952	5,249	1,943	2,068	-	-	4,007	4,283
-	-	-	-	-	-	-	-
119,920	122,428	46,905	59,106	64	-	8,740	1,111
4,031	3,903	4,050	3,903	-	-	30,906	29,920
-	-	703	56	-	-	1,455	1,194
173,528	152,229	132,600	134,034	-	-	30,240	25,396
16,144	18,657	6,919	9,175	-	-	15,020	17,468
21,281	16,689	8,467	8,722	-	-	15,425	13,129
3,072	3,072	-	-	-	-	-	-
-	-	-	-	-	-	16,854	15,729
1,201	450	3,398	222	-	-	1,902	862
<u>98,883</u>	<u>82,941</u>	<u>41,182</u>	<u>37,553</u>	<u>-</u>	<u>176</u>	<u>(214,087)</u>	<u>(190,187)</u>
<u>558,718</u>	<u>512,050</u>	<u>292,027</u>	<u>299,565</u>	<u>64</u>	<u>176</u>	<u>-</u>	<u>-</u>
<u>\$ (759)</u>	<u>\$ 10,956</u>	<u>\$ (59,652)</u>	<u>\$ (62,761)</u>	<u>\$ (64)</u>	<u>\$ 934</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF ARNAUDVILLE
Justice System Funding Schedule - Collecting/Disbursing Entity
Year Ended June 30, 2026

	First Six Month Period Ended 12/31/2025	Second Six Month Period Ended 6/30/2026
Beginning Balance of Amounts Collected	\$ 165	\$ 1,543
Add: Collections -		
Criminal Court Costs/Fees	62,564	48,101
Subtotal Collections	<u>62,564</u>	<u>48,101</u>
Less: Disbursements to Governments and Nonprofits -		
Acadiana Criminalistics Lab - Criminal Fines	900	850
Louisiana Commission on Law Enforcement - Criminal Fines	1,022	1,134
Louisiana State Treasurer CMIS - Criminal Fines	1,317	1,701
Louisiana Supreme Court - Criminal Fines	255	1,334
LA Dept of Health & Hospitals THI/SCI - Criminal Fines	1,010	1,015
St Landry Crime Stoppers Inc - Criminal Fines	874	1,243
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency -		
Criminal Fines Other	55,808	41,856
Subtotal Disbursements/Retainage	<u>61,186</u>	<u>49,133</u>
Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ 1,543</u>	<u>\$ 511</u>

OTHER INFORMATION

TOWN OF ARNAUDVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2026
With Comparative Actual Amounts for the Year Ended June 30, 2025

	2026			Variance with Final Budget Positive (Negative)	2025 Actual
	Budget		Actual		
	Original	Final			
Taxes:					
Ad valorem	\$ 46,508	\$ 49,859	\$ 51,141	\$ 1,282	\$ 48,755
Payment in lieu of taxes	7,470	11,845	11,849	4	7,470
Franchise - electric, TV, etc.	79,698	77,485	82,189	4,704	74,239
Total taxes	<u>133,676</u>	<u>139,189</u>	<u>145,179</u>	<u>5,990</u>	<u>130,464</u>
Licenses and permits:					
Occupational licenses	74,420	51,100	45,935	(5,165)	46,357
LAMATS - Insurance licenses	35,809	65,000	95,814	30,814	81,944
Total licenses and permits	<u>110,229</u>	<u>116,100</u>	<u>141,749</u>	<u>25,649</u>	<u>128,301</u>
Intergovernmental:					
State of Louisiana -					
Highway maintenance revenue	2,150	5,425	5,425	-	4,711
Beer taxes	5,533	4,100	2,852	(1,248)	5,256
Poker machines	30,814	36,600	41,121	4,521	32,236
Grant revenue	-	-	25,185	25,185	-
Total intergovernmental	<u>38,497</u>	<u>46,125</u>	<u>74,583</u>	<u>28,458</u>	<u>42,203</u>
Fines and forfeits	<u>20,270</u>	<u>99,000</u>	<u>99,775</u>	<u>775</u>	<u>21,130</u>
Miscellaneous:					
Rent income	24,613	16,800	18,141	1,341	24,746
Recreation department income	20,630	22,685	30,378	7,693	26,035
Miscellaneous	5,021	85	796	711	4,302
Total miscellaneous	<u>50,264</u>	<u>39,570</u>	<u>49,315</u>	<u>9,745</u>	<u>55,083</u>
Total revenues	<u>\$352,936</u>	<u>\$ 439,984</u>	<u>\$ 510,601</u>	<u>\$ 70,617</u>	<u>\$377,181</u>

TOWN OF ARNAUDVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2026
With Comparative Actual Amounts for the Year Ended June 30, 2025

	2026			Variance with Final Budget	2025
	Actual		Actual	Positive (Negative)	Actual
	Original	Final			
Current:					
General government -					
Council salaries	\$ 27,000	\$ 27,000	\$ 27,000	\$ -	\$ 27,450
Mayor's compensation	25,002	25,002	25,002	-	25,002
Clerk and other salaries	57,200	57,999	57,340	659	75,556
Payroll taxes and retirement	24,225	24,050	23,663	387	25,460
Worker's compensation insurance	550	450	418	32	523
Insurance	61,670	57,322	34,060	23,262	50,615
Utilities	11,480	11,480	14,202	(2,722)	12,843
Telephone	11,000	8,200	8,880	(680)	11,303
Professional fees	52,650	56,550	55,194	1,356	58,320
Computer related fees and software	14,000	15,000	12,813	2,187	14,905
Office supplies	5,650	9,700	7,490	2,210	6,063
Meetings and conventions	3,150	3,950	10,124	(6,174)	4,101
Travel	1,791	2,225	1,712	513	1,475
Dues	3,700	3,100	2,741	359	3,246
Tax roll and assessor's fee	3,625	3,420	2,566	854	3,023
Coroner/medical	2,250	5,350	4,615	735	2,600
Repairs and maintenance	6,700	5,200	8,127	(2,927)	11,868
Miscellaneous	20,440	15,375	16,526	(1,151)	14,667
Postage	4,005	4,005	3,017	988	3,481
Total general government	336,088	335,378	316,521	18,857	352,501
Public safety - police -					
Salaries	148,419	136,000	132,172	3,828	146,287
Payroll taxes and retirement	51,652	42,450	39,811	2,639	43,886
Worker's compensation insurance	700	600	555	45	610
Insurance	1,065	990	654	336	934
Utilities	1,800	1,800	1,078	722	-
Supplies	6,750	16,000	17,973	(1,973)	8,518
Prisoners meals and medical	1,000	1,000	468	532	333
Uniforms	1,500	6,000	6,246	(246)	7,052
Auto expenditures	34,250	35,950	34,350	1,600	47,785
Telephone	11,500	9,800	10,924	(1,124)	11,464
Repairs and maintenance	3,500	2,700	6,534	(3,834)	3,876
Miscellaneous	9,101	9,951	3,121	6,830	7,559
Equipment	1,200	-	-	-	-
Training	5,000	2,600	4,982	(2,382)	1,480
Total public safety - police	277,437	265,841	258,868	6,973	279,784

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2026
With Comparative Actual Amounts for the Year Ended June 30, 2025

	2026			Variance with Final Budget	2025
	Budget		Actual	Positive (Negative)	Actual
	Original	Final			
Streets -					
Supplies	4,000	5,500	3,427	2,073	2,667
Equipment and street maintenance	7,500	7,200	6,726	474	5,690
Miscellaneous	-	-	384	(384)	-
Total streets	11,500	12,700	10,537	2,163	8,357
Community center -					
Supplies	760	2,300	1,712	588	363
Repairs and maintenance	5,000	5,000	3,014	1,986	8,736
Utilities	12,750	11,700	10,596	1,104	12,808
Miscellaneous	600	-	1,832	(1,832)	311
Total community center	19,110	19,000	17,154	1,846	22,218
Parks and recreation -					
Coach's salary	15,600	15,600	15,685	(85)	14,956
Payroll taxes	1,193	1,300	1,292	8	1,135
Worker's compensation insurance	775	775	746	29	712
Repairs and maintenance	12,500	12,500	15,660	(3,160)	14,888
Uniforms and supplies	26,620	29,900	32,058	(2,158)	25,239
Equipment	4,400	-	-	-	2,120
Insurance	1,950	1,813	1,289	524	1,375
Miscellaneous	1,560	1,560	760	800	-
Total parks and recreation	64,598	63,448	67,490	(4,042)	60,425
Capital outlay:					
General government -					
Equipment	8,000	36,863	41,433	(4,570)	-
Streets -					
Drainage improvements	-	-	5,500	(5,500)	-
Infrastructure	3,000	3,000	-	3,000	-
Parks and recreation -					
Park improvements	-	-	-	-	3,972
Infrastructure	5,000	5,500	-	5,500	-
Total capital outlay	16,000	45,363	46,933	(1,570)	3,972
Total expenditures	\$ 724,733	\$ 741,730	\$ 717,503	\$ 24,227	\$ 727,257

TOWN OF ARNAUDVILLE, LOUISIANA
1969 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2026
With Comparative Actual Amounts for the Year Ended June 30, 2025

	2026			
	Budget		Variance with Final Budget Positive (Negative)	2025 Actual
	Original	Final	Actual	
Revenues:				
Taxes	\$ 440,000	\$ 440,000	\$ 472,113	\$ 466,578
Intergovernmental	40,200	73,955	85,755	35,080
Miscellaneous	-	4,675	8,683	29,648
Total revenues	<u>480,200</u>	<u>518,630</u>	<u>566,551</u>	<u>531,306</u>
Expenditures:				
General government -				
Bank charges	150	30	20	-
Collection fees	4,100	4,100	3,635	3,696
Professional fees	22,950	24,650	22,843	22,115
Total general government	<u>27,200</u>	<u>28,780</u>	<u>26,498</u>	<u>25,811</u>
Public safety -				
Police				
Salaries	252,000	298,000	300,548	238,756
Supplemental pay	40,200	49,140	47,682	38,080
Worker's compensation	20,000	22,500	20,919	16,591
Payroll taxes and retirement	104,300	113,800	114,355	90,341
Miscellaneous	1,715	500	1,590	-
Total public safety	<u>418,215</u>	<u>483,940</u>	<u>485,094</u>	<u>383,768</u>
Capital outlay	<u>18,000</u>	<u>49,801</u>	<u>54,520</u>	<u>53,152</u>
Total expenditures	<u>463,415</u>	<u>562,521</u>	<u>566,112</u>	<u>462,731</u>
Excess of revenues over expenditures	16,785	(43,891)	439	68,575
Fund balance, beginning	<u>800,344</u>	<u>800,344</u>	<u>800,344</u>	<u>731,769</u>
Fund balance, ending	<u>\$ 817,129</u>	<u>\$ 756,453</u>	<u>\$ 800,783</u>	<u>\$ 800,344</u>

TOWN OF ARNAUDVILLE, LOUISIANA
1982 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2026
With Comparative Actual Amounts for the Year Ended June 30, 2025

	2026				
	Budget			Variance with Final Budget Positive (Negative)	2025 Actual
	Original	Final	Actual		
Revenues:					
Taxes	\$ 440,000	\$ 440,000	\$ 472,116	\$ 32,116	\$ 468,658
Miscellaneous	22,805	30,000	28,693	(1,307)	28,664
Total revenues	<u>462,805</u>	<u>470,000</u>	<u>500,809</u>	<u>30,809</u>	<u>497,322</u>
Expenditures:					
General government -					
Bank charges	305	305	20	285	-
Collection fees	4,100	4,100	3,635	465	6,507
Professional fees	<u>15,900</u>	<u>17,400</u>	<u>16,125</u>	<u>1,275</u>	<u>15,610</u>
Total general government	20,305	21,805	19,780	2,025	22,117
Streets	32,810	33,700	34,476	(776)	30,202
Culture and recreation	<u>4,025</u>	<u>4,025</u>	<u>4,078</u>	<u>(53)</u>	<u>3,755</u>
Total expenditures	<u>57,140</u>	<u>59,530</u>	<u>58,334</u>	<u>1,196</u>	<u>56,074</u>
Excess of revenues over expenditures	405,665	410,470	442,475	32,005	441,248
Other financing sources (uses):					
Transfers out	<u>(400,000)</u>	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>	<u>(300,000)</u>
Net change in fund balance	5,665	10,470	42,475	32,005	141,248
Fund balance, beginning	<u>1,014,896</u>	<u>1,014,896</u>	<u>1,014,896</u>	<u>-</u>	<u>873,648</u>
Fund balance, ending	<u>\$ 1,020,561</u>	<u>\$ 1,025,366</u>	<u>\$ 1,057,371</u>	<u>\$ 32,005</u>	<u>\$ 1,014,896</u>

TOWN OF ARNAUDVILLE, LOUISIANA
Street Improvement Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2026
With Comparative Actual Amounts for the Year Ended June 30, 2025

	2026				
	Budget			Variance with Final Budget	2025
	Original	Final	Actual	Positive (Negative)	Actual
Revenues:					
Miscellaneous	\$ 100	\$ 56	\$ 53	\$ (3)	\$ 69
Expenditures	-	-	-	-	-
Excess of revenues over expenditures	100	56	53	(3)	69
Fund balance, beginning	<u>13,897</u>	<u>13,897</u>	<u>13,897</u>	-	<u>13,828</u>
Fund balance, ending	<u>\$ 13,997</u>	<u>\$ 13,953</u>	<u>\$ 13,950</u>	<u>\$ (3)</u>	<u>\$ 13,897</u>

TOWN OF ARNAUDVILLE, LOUISIANA
2% Set Aside Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2026
With Comparative Actual Amounts for the Year Ended June 30, 2025

	2026			
	Budget		Variance with Final Budget Positive (Negative)	2025 Actual
	Original	Final	Actual	
Revenues:				
Miscellaneous	\$ 90	\$ 274	\$ 7,394	\$ 9,575
Expenditures:				
General government	-	174	130	-
Excess of revenues over expenditures	90	100	7,264	9,575
Other financing sources (uses):				
Transfers in	50,040	55,000	55,000	-
Transfers out	-	-	-	(26,435)
Total other financing sources (uses)	50,040	55,000	55,000	(26,435)
Net change in fund balance	50,130	55,100	62,264	(16,860)
Fund balance, beginning	195,059	195,059	195,059	211,919
Fund balance, ending	\$245,189	\$250,159	\$257,323	\$195,059

TOWN OF ARNAUDVILLE, LOUISIANA
LCDBG Grant Projects Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2026
With Comparative Actual Amounts for the Year Ended June 30, 2025

	2026			Variance with Final Budget Positive (Negative)	2025
	Budget		Actual		
	Original	Final			
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance, beginning	3	3	3	-	3
Fund balance, ending	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 3</u>

TOWN OF ARNAUDVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
June 30, 2026 and 2025

Records maintained by the Town indicated the following number of customers were being serviced during the months of June 30, 2026 and 2025:

<u>Department</u>	<u>2026</u>	<u>2025</u>
Gas (metered)	642	637
Water (metered)	1,314	1,295
Sewer	576	566
Sanitation	2	1

**INTERNAL CONTROL,
COMPLIANCE, AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Todd Meche, Mayor
and members of the Board of Aldermen
Town of Arnaudville, 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 the *Governmental 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 Arnaudville, Louisiana (Town), as of and for the year ended June 30, 2026, 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 9, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Arnaudville, Louisiana'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2026-001 that we consider to be a material weakness.

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 determination of financial statement amounts. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Town of Arnaudville, Louisiana's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the findings identified in our audit and described in the accompanying schedule of current and prior year audit findings. The Town's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an 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. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 9, 2026

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2026

Part I. Current Year Findings and Management's Corrective Action Plan

A. Internal Control Over Financial Reporting

2026-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

Condition: The Town of Arnaudville did not have adequate segregation of functions within the accounting system.

Criteria: AU-C §315.04, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, defines internal control as follows:

"Internal control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations."

Cause: The cause of the condition is the fact that the Town does not have a sufficient number of employees performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

Effect: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

Recommendation: Management should evaluate the cost vs. benefit of complete segregation and whenever possible, reassign incompatible duties among different employees to ensure that a single employee does not have a control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recording keeping; and (4) reconciliation.

Management's Corrective Action Plan: The Town has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. The Mayor and Town Clerk implemented policies and procedures where the Mayor or Town Clerk reviews and approves reports and reconciliations done by the employees in the accounting department.

B. Compliance Findings

There are no findings to report under this section.

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2026

Part II: Prior Year Findings

A. Internal Control Over Financial Reporting

2025-001 Inadequate Segregation of Functions

Fiscal year finding initially occurred: Unknown

Condition: The Town of Arnaudville did not have adequate segregation of functions within the accounting system.

Recommendation: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

Current Status: Unresolved. See item 2026-001.

2025-002 Application of Generally Accepted Accounting Procedures (GAAP)

Fiscal year finding initially occurred: 2022

Condition: Management and staff lack the expertise and/or experience in the selections and application of generally accepted accounting principles, as applicable to government entities in the financial statement preparation process.

Recommendation: The Town should either hire the personnel needed or outsource this task to ensure the financial statements and transactions are in accordance with GAAP.

Current Status: Resolved.

B. Compliance Findings

There are no findings to report under this section.

TOWN OF ARNAUDVILLE
Arnaudville, Louisiana

Agreed-Upon Procedures Report

Year Ended June 30, 2026

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Town of Arnaudville
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2025 through June 30, 2026. The Town of Arnaudville (Town) is responsible for those C/C areas identified in the SAUPs.

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 July 1, 2025 through June 30, 2026. 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:

Written Policies and Procedures

1. Obtain and inspect the Town's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the Town's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***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.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or custodial fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, custodial fund forfeiture monies confirmation).

- e) ***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(s) rate of pay or approval and maintenance of pay rate schedules.
- f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) ***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).
- i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 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.
- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in 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.
- l) ***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.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
 - c) 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, observed 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.
 - d) Observe 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.

Bank Reconciliations

3. Obtain a listing of the entity's bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected accounts, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include written evidence that a member of management/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
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections (excluding electronic fund transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, 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:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) 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.
 - e) 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.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation includes evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #9, as applicable.

11. Using the entity's main operating account and the month selected in "Bank Reconciliations" procedure #3, 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.
 - b) Approved by the required number of authorized signers per the entity's policy.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, describe the nature of the transaction and noted whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.
15. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

16. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, observe 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).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1g).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

17. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agreed the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

18. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and we agreed paid salaries to authorized salaries/pay rates in the personnel files.
19. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #18 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
20. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee/officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

21. 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.

Ethics

22. Using the 5 randomly selected employees/officials from procedure #18 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
23. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Debt Service

24. 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 State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
25. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Fraud Notice

26. 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 Town reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
27. 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.

Information Technology Disaster Recovery/Business Continuity

28. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, 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.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #20 and observe evidence that the selected terminated employees have been removed or disabled from the network.
29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #18, obtain cybersecurity training documentation from management and observe that the documentation demonstrated that the employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- Hired before June 9, 2020 – completed the training; and
 - Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment.

Prevention of Sexual Harassment

30. Using the 5 randomly selected employees/officials from procedure #18 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
31. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
32. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Exceptions:

No exceptions were found as a result of applying the procedures listed above except:

Bank Reconciliation

1. Two of the bank reconciliations selected did not include evidence of management researching outstanding items greater than twelve months.

Non-Payroll Disbursements

2. One disbursement's documentation did not include evidence of segregation of duties.

Credit Cards

3. One monthly credit card statement was assessed late fees.

Travel

4. Two travel reimbursements did not have evidence of review or approval, in writing, by someone other than the person receiving the reimbursement.

Management's Response:

Management concurs with the exceptions noted and is working to address the deficiencies identified.

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 from the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 9, 2026