

**Town of Greenwood
Greenwood, Louisiana
Financial Statements with Auditors' Report
As of and For the Year Ended June 30, 2025**

Town of Greenwood
Greenwood, Louisiana

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Independent Auditors' Report

The Honorable Justin Davis, Mayor
and Members of the Town Council
Town of Greenwood
Greenwood, Louisiana

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis on pages 4-10, budgetary comparison information on pages 45-46, the Schedule of Proportionate Share of Net Pension Liability on page 47, and the Schedule of Contributions on page 48 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 GAAS, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient

evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Greenwood's basic financial statements. The other supplementary information schedules listed in the table of contents and shown on pages 49 - 50 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. As disclosed in Note 1 to the financial statements, the Town of Greenwood prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. The other supplementary information schedule, Justice System Funding Schedule, shown on pages 51 - 52, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. This schedule is presented to satisfy the requirements of Act 87 of the 2020 Regular Legislative Session (R.S. 24:515.2) and must be presented on the cash basis of accounting which differs significantly from those principles used to present financial statements in accordance with accounting principles generally accepted in the United States of America. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion the Justice System Funding Schedule, shown on pages 51 - 52, is fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025, on our consideration of the Town of Greenwood, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Greenwood's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Greenwood's internal control over financial reporting and compliance.



Cook & Morehart
Certified Public Accountants
December 19, 2025

TOWN OF GREENWOOD

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Town of Greenwood's financial performance provides an overview of the Town of Greenwood's financial activities for the fiscal year ended June 30, 2025. Please read it in conjunction with the Town's financial statements, which begin on page 11.

FINANCIAL HIGHLIGHTS

- The Town of Greenwood's net position of our governmental activities increased by \$878,017 or 13%.
- The Town of Greenwood's net position of our business-type activities decreased by \$421,302 or 10%.
- In the Town's governmental activities, total general and program revenues were \$2,996,222 in 2025 compared to \$3,203,581 in 2024. Total expenses, excluding depreciation, totaled \$2,021,304 for the year ended June 30, 2025 compared to \$2,253,314 for 2024.
- In the Town's business-type activities, revenues decreased by \$24,874 in 2025.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 11 and 12) provide information about the activities of the Town of Greenwood as a whole and present a longer-term view of the Town's finances. Fund financial statements start on page 13. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town of Greenwood's operations in more detail than the government-wide statements by providing information about the Town of Greenwood's most significant funds.

Reporting the Town of Greenwood as a Whole

Our analysis of the Town of Greenwood as a whole begins on page 11. One of the most important questions asked about the Town of Greenwood's finances is "Is the Town of Greenwood as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the funds maintained by the Town of Greenwood as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town of Greenwood's *net position* and changes in them. You can think of the Town of Greenwood's net position – the difference between assets and liabilities – as one way to measure the

Town of Greenwood's financial health, or *financial position*. Over time, *increases* or *decreases* in the Town of Greenwood's net position is one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Town's property tax base, to assess the overall health of the Town.

In the Statement of Net Position and the Statement of Activities, we divide the Town into two kinds of activities:

Governmental activities – Most of the Town's basic services are reported here, including the police, public works, and general administration. Property taxes, franchise fees, sales taxes, and police department fines, and various other revenues finance most of these activities.

Business-type activities – The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's water/sewer system are reported here.

Reporting the Town's Most Significant Funds

Our analysis of the major funds maintained by the Town of Greenwood begins on page 13. The fund financial statements begin on page 13 and provide detailed information about the most significant funds maintained by the Town of Greenwood – not the Town of Greenwood as a whole. The Town of Greenwood's two kinds of funds – *governmental* and *proprietary* – use different accounting approaches.

Governmental funds – Most of the Town of Greenwood's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Town of Greenwood's general government operations and the expenses paid from those funds. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance certain Town of Greenwood expenses. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in a reconciliation at the bottom of the fund financial statements.

Proprietary funds – When the Town charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

THE TOWN OF GREENWOOD AS A WHOLE

The Town of Greenwood's combined net assets changed from a year ago, increasing from \$11,076,110 as restated, to \$11,532,825. A comparative analysis of the funds maintained by the Town of Greenwood is presented below.

Table 1
Net Assets

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 7,498,095	\$ 6,754,893	\$ 255,179	\$ 405,983	\$ 7,753,274	\$ 7,160,876
Capital assets	1,165,808	1,136,975	6,616,728	7,079,657	7,782,536	8,216,632
Total Assets	<u>8,663,903</u>	<u>7,891,868</u>	<u>6,871,907</u>	<u>7,485,640</u>	<u>15,535,810</u>	<u>15,377,508</u>
Deferred outflows of resources						
Pension related	330,592	491,443			330,592	491,443
Current liabilities	78,631	109,910	51,888	61,105	130,519	171,015
Payable from restricted assets:						
Customer deposits			160,485	158,255	160,485	158,255
Unearned Revenue						
Long-term liabilities	1,178,045	1,494,010	2,694,556	2,880,000	3,872,601	4,374,010
Total Liabilities	<u>1,256,676</u>	<u>1,603,920</u>	<u>2,906,929</u>	<u>3,099,360</u>	<u>4,163,605</u>	<u>4,703,280</u>
Deferred inflows of resources						
Pension related	169,972	89,561			169,972	89,561
Net Position						
Net investment in capital assets	1,165,808	1,136,975	3,934,728	4,199,657	5,100,536	5,336,632
Restricted			115,244	260,778	115,244	260,778
Unrestricted	6,402,039	5,552,855	(84,994)	(74,155)	6,317,045	5,478,700
Total Net Position	<u>\$ 7,567,847</u>	<u>\$ 6,689,830</u>	<u>\$ 3,964,978</u>	<u>\$ 4,386,280</u>	<u>\$ 11,532,825</u>	<u>\$ 11,076,110</u>

Net position of the Town of Greenwood's governmental activities increased by \$878,017 or 13%. Net position of the Town of Greenwood's business-type activities decreased by \$421,302 or 10%.

Table 2
Change in Net Assets

The Town's total revenues decreased by 5% or \$232,233. The total cost of all programs and services decreased by 11% or \$525,480. Our analysis below separately considers the operations of the governmental and business-type activities.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues						
Charges for services	\$ 553,851	\$ 430,440	\$ 1,559,654	\$ 1,614,676	\$ 2,113,505	\$ 2,045,116
Operating grants and contributions	179,671	714,408	29,946		209,617	714,408
Capital grants and contributions	146,064				146,064	
General Revenues						
Ad valorem taxes	306,856	296,248			306,856	296,248
Sales taxes	820,933	851,019			820,933	851,019
Franchise taxes	203,693	207,332			203,693	207,332
Gaming taxes	518,580	487,811			518,580	487,811
Investment earnings	191,177	137,896	917	715	192,094	138,611
Miscellaneous	75,397	78,427			75,397	78,427
Total revenues	<u>2,996,222</u>	<u>3,203,581</u>	<u>1,590,517</u>	<u>1,615,391</u>	<u>4,586,739</u>	<u>4,818,972</u>
Expenses						
General government	732,689	976,561			732,689	976,561
Public safety	1,405,845	1,362,402			1,405,845	1,362,402
Utility			1,991,490	2,316,541	1,991,490	2,316,541
Total expenses	<u>2,138,534</u>	<u>2,338,963</u>	<u>1,991,490</u>	<u>2,316,541</u>	<u>4,130,024</u>	<u>4,655,504</u>
Transfers	<u>20,329</u>	<u>(306,235)</u>	<u>(20,329)</u>	<u>306,235</u>		
Increase (decrease) in net position	<u>\$ 878,017</u>	<u>\$ 558,383</u>	<u>\$ (421,302)</u>	<u>\$ (394,915)</u>	<u>\$ 456,715</u>	<u>\$ 163,468</u>

Governmental Activities

Total revenues for the governmental activities decreased \$207,359 from total revenues in the year ended June 30, 2024 of \$3,203,581, to total revenues of \$2,996,222 in the year ended June 30, 2025. The decrease is due, in large part, to a decrease in operating grants and contributions.

The cost of all governmental activities this year was \$2,138,534. These costs were covered by \$879,586 of program revenues, with the remaining costs covered by gaming taxes, sales taxes, and other general revenues.

Business-type Activities

Total revenues for the business-type activities decreased \$24,874 or 1% from total revenues in the year ended June 30, 2024 of \$1,615,391 to total revenues of \$1,590,517 in the year ended June 30, 2025. The decrease is due primarily to a decrease in charges for services from prior year.

The cost of all business-type activities this year was \$1,991,490. These costs were covered in part by \$1,589,600 of program revenues, consisting of charges for services assessed to users.

THE TOWN'S FUNDS

As the Town completed the year, its governmental funds (as presented in the balance sheet on page 13) reported a *combined* fund balance of \$7,375,002, which is higher than last year's fund balance of \$6,606,975, as restated. Revenues for the governmental funds decreased \$208,218 or 7% from total revenues in the year ended June 30, 2024 of \$3,171,424 to total revenue of \$2,963,206 in the year ended June 30, 2025, while expenses decreased \$108,756 or 4% from total expenses in the year ended June 30, 2024 of \$2,324,264 to total expenses of \$2,215,508 in the year ended June 30, 2025.

General Fund Budgetary Highlights

The Town adopted a budget for its General Fund for the year ended June 30, 2025. There were no amendments to the budget during the year. The Town's budgetary comparison is presented as required supplementary information and shown on page 45. Highlights for the year are as follows:

- Actual revenues exceeded budgeted amounts by approximately \$773,133.
- Actual expenditures were more than budgeted amounts by approximately \$140,314.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2025 and 2024, the Town of Greenwood had invested \$7,782,536 and \$8,216,632, respectively in capital assets. (see table 3 below)

Table 3
Capital Assets At Year End
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 222,936	\$ 222,936	\$ 200,381	\$ 200,381	\$ 423,317	\$ 423,317
Construction in progress		200,000	47,970	47,970	47,970	247,970
Building and improvements	603,388	404,711			603,388	404,711
Furniture and equipment	71,268	48,866	8,003	10,966	79,271	59,832
Vehicles	268,216	260,462		6,801	268,216	267,263
Sewer system			1,109,840	1,251,105	1,109,840	1,251,105
Water system			5,250,534	5,562,434	5,250,534	5,562,434
Total	<u>\$ 1,165,808</u>	<u>\$ 1,136,975</u>	<u>\$ 6,616,728</u>	<u>\$ 7,079,657</u>	<u>\$ 7,782,536</u>	<u>\$ 8,216,632</u>
Major additions included:						
Water and sewer system	\$	\$	\$ 121,080	\$	\$ 121,080	\$
Furniture and equipment	25,748				25,748	
Building and improvements	61,646	37,870			61,646	37,870
Vehicles and equipment	58,670	107,722		3,475	58,670	111,197
Total	<u>\$ 146,064</u>	<u>\$ 145,592</u>	<u>\$ 121,080</u>	<u>\$ 3,475</u>	<u>\$ 267,144</u>	<u>\$ 149,067</u>

More detailed information about the capital assets are presented in Note 12 to the financial statements.

Debt

At year-end, the Town had \$3,872,601 in bonds, notes, and other long-term liabilities outstanding, versus \$4,374,010 last year – a decrease of 11%.

**Table 4
Outstanding Debt At Year End**

	Governmental Activities		Business-Type Activity		Totals	
	2025	2024	2025	2024	2025	2024
Net pension liability	\$ 1,149,926	\$ 1,472,989	\$	\$	\$ 1,149,926	\$ 1,472,989
Compensated absences	28,119	21,021	12,556		40,675	21,021
Water revenue bonds			2,682,000	2,880,000	2,682,000	2,880,000
	<u>\$ 1,178,045</u>	<u>\$ 1,494,010</u>	<u>\$ 2,694,556</u>	<u>\$ 2,880,000</u>	<u>\$ 3,872,601</u>	<u>\$ 4,374,010</u>

More detailed information about the debt is presented in Note 13 to the financial statements.

Included in long-term liabilities is net pension liability of \$1,149,926 on the statement of net position for governmental activities at June 30, 2025. Additional information about the Town's net pension liability is presented in note 14 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Town of Greenwood's management considered many factors when setting a fiscal year June 30, 2026 budget. Amounts available for appropriation in the governmental funds are expected to remain substantially the same.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the finances for those funds maintained by the Town of Greenwood and to show the Town of Greenwood's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Mayor at P.O. Box 195, Greenwood, LA 71033.

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

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 6,868,163	\$ 85,000	\$ 6,953,163
Receivables	241,024	194,435	435,459
Prepaid expenses	44,462	44,461	88,923
Internal balances	344,446	(344,446)	
Restricted cash and cash equivalents		275,729	275,729
Capital assets not being depreciated	222,936	248,351	471,287
Depreciable capital assets, net	942,872	6,368,377	7,311,249
Total assets	<u>8,663,903</u>	<u>6,871,907</u>	<u>15,535,810</u>
Deferred Outflows of Resources			
Pension related	<u>330,592</u>		<u>330,592</u>
Liabilities			
Accounts payable and accrued expenses	78,631	51,888	130,519
Payable from restricted assets:			
Customer deposits		160,485	160,485
Non-current liabilities:			
Due within one year	23,665	217,556	241,221
Due in more than one year	1,154,380	2,477,000	3,631,380
Total liabilities	<u>1,256,676</u>	<u>2,906,929</u>	<u>4,163,605</u>
Deferred Inflows of Resources			
Pension related	<u>169,972</u>		<u>169,972</u>
Net Position			
Net investment in capital assets	1,165,808	3,934,728	5,100,536
Restricted for:			
Debt service		115,244	115,244
Unrestricted	6,402,039	(84,994)	6,317,045
Total net position	<u>\$ 7,567,847</u>	<u>\$ 3,964,978</u>	<u>\$ 11,532,825</u>

See accompanying notes to the basic financial statements.

Town of Greenwood
Greenwood, Louisiana
Balance Sheet
Governmental Fund
June 30, 2025

	<u>General Fund</u>
Assets	
Cash and cash equivalents	\$ 6,868,163
Receivables	241,024
Due from other funds	344,446
Total assets	<u>\$ 7,453,633</u>
Liabilities and Fund Balances	
Liabilities:	
Accounts payable and accrued expenses	\$ 78,631
Total liabilities	<u>78,631</u>
Fund balances:	
Assigned	
Capital projects	2,967,843
Unassigned	4,407,159
Total fund balances	<u>7,375,002</u>
Total liabilities and fund balances	<u>\$ 7,453,633</u>

See accompanying notes to the basic financial statements.

Town of Greenwood
Greenwood, Louisiana
Reconciliation of the Balance Sheet of Governmental Fund
to the Statement of Net Position
June 30, 2025

Fund balances - total governmental fund	\$	7,375,002
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		1,165,808
<p>The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources.</p>		44,462
<p>Other long-term assets and other amounts are not available to pay for current-period expenditures and therefore are unavailable in the funds.</p>		
Deferred outflows - pension related		330,592
<p>Long-term liabilities and other amounts are not due and payable in the current period and therefore are not reported in the funds.</p>		
Compensated absences		(28,119)
Net pension liability		(1,149,926)
Deferred inflows - pension related		(169,972)
		(1,348,017)
Net position of governmental activities	\$	7,567,847

See accompanying notes to the basic financial statements.

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

	General Fund
Revenues:	
Ad valorem taxes	\$ 306,856
Sales tax	820,933
Franchise taxes	203,693
Licenses and permits	182,495
Gaming taxes	518,580
Intergovernmental revenues	292,710
Fines and forfeitures	371,356
Investment earnings	191,177
Miscellaneous	75,406
Total revenues	2,963,206
Expenditures:	
Current:	
General government	646,100
Public safety	1,423,344
Capital outlay	146,064
Total expenditures	2,215,508
Excess (deficiency) of revenues over expenditures	747,698
Other financing sources (uses):	
Transfers in	20,329
Total other financing sources (uses)	20,329
Net change in fund balance	768,027
Fund balances at beginning of year, restated	6,606,975
Fund balances at end of year	\$ 7,375,002

See accompanying notes to the basic financial statements.

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

Net change in fund balances - total governmental fund	\$	768,027
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$146,064) exceeded depreciation (\$117,230) in the current period.		28,834
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The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources.		(6,133)
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Revenues that are not available to pay current obligations are not reported in the fund financial statements, but they are presented as revenues in the statement of activities.

Non-employer contributions to cost-sharing pension plan		33,015
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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 the funds.

Pension expense		48,787
Accrued leave		5,487
		5,487

Change in net position of governmental activities	\$	878,017
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See accompanying notes to the basic financial statements.

Town of Greenwood
Greenwood, Louisiana
Statement of Net Position
Proprietary Funds
June 30, 2025

	<u>Business-Type Activities- Enterprise Funds</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 85,000
Restricted cash and cash equivalents	160,485
Accounts receivable	194,435
Prepaid expenses	44,461
Total current assets	<u>484,381</u>
Noncurrent assets:	
Restricted cash and cash equivalents	115,244
Capital assets:	
Land	200,381
Construction in process	47,970
Plant and equipment	18,589,624
Less: accumulated depreciation	<u>(12,221,247)</u>
Total noncurrent assets	<u>6,731,972</u>
Total assets	<u><u>\$ 7,216,353</u></u>
Liabilities	
Current liabilities:	
Accounts payable	\$ 26,724
Accrued expenses	11,977
Due to other funds	344,446
Payable from restricted assets:	
Revenue bonds	205,000
Accrued interest	13,187
Customer deposits	160,485
Total current liabilities	<u>761,819</u>
Noncurrent liabilities:	
Compensated absences	12,556
Revenue bonds	2,477,000
Total noncurrent liabilities	<u>2,489,556</u>
Total liabilities	<u>3,251,375</u>
Net position	
Net investment in capital assets	3,934,728
Restricted for debt service	115,244
Unrestricted	<u>(84,994)</u>
Total net position	<u>3,964,978</u>
Total liabilities and net position	<u><u>\$ 7,216,353</u></u>

See accompanying notes to the basic financial statements.

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

	<u>Business-Type Activities- Enterprise Funds</u>
Operating revenues:	
Charges for service -	
Water sales	\$ 1,131,326
Sewerage service charges	428,328
Total operating revenues	<u>1,559,654</u>
Operating expenses:	
Water department expenses	831,823
Sewer department expenses	480,688
Depreciation	584,008
Total operating expenses	<u>1,896,519</u>
Operating income (loss)	<u>(336,865)</u>
Non-operating revenues (expenses):	
Interest income	917
Interest expense	(94,971)
Total non-operating revenues (expenses)	<u>(94,054)</u>
Net income (loss) before transfers and contributions	(430,919)
Operating grants and contributions	29,946
Transfers out	(20,329)
Total transfers and contributions	<u>9,617</u>
Change in net position	(421,302)
Net position - beginning of year, restated	<u>4,386,280</u>
Net position - end of year	<u>\$ 3,964,978</u>

See accompanying notes to the basic financial statements.

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

	<u>Business-Type Activities- Enterprise Funds</u>
Cash Flows From Operating Activities	
Receipts from customers	\$ 1,567,159
Cash payments to suppliers for goods and services	(966,484)
Cash payments to employees for services	(347,223)
Net Cash From Operating Activities	<u>253,452</u>
Cash Flows from Noncapital Financing Activities:	
Interfund loans	60,375
Operating grants and contributions	29,946
Transfers to other funds	(95,000)
Transfers from other funds	74,671
Net Cash From Noncapital Financing Activities	<u>69,992</u>
Cash Flows From Capital and Related Financing Activities	
Acquisition/construction of capital assets	(104,617)
Principal paid on capital debt	(198,000)
Interest paid on capital debt	(95,945)
Net Cash (Used) by Capital and Related Financing Activities	<u>(398,562)</u>
Cash Flow From Investing Activities	
Interest income	917
Net Cash From Investing Activities	<u>917</u>
Net (decrease) in cash and cash equivalents	(74,201)
Cash, Beginning of year	<u>434,930</u>
Cash, End of year	<u>\$ 360,729</u>
Cash and cash equivalents are reflected on the Statement of Net Position as follows:	
Cash and cash equivalents	\$ 85,000
Cash and cash equivalents - restricted - customer deposits	160,485
Cash and cash equivalents - restricted - debt service	115,244
Total	<u>\$ 360,729</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By/(Used In) Operating Activities	
Operating income (loss)	\$ (336,865)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities	
Depreciation expense	584,009
Accounts receivable	9,735
Prepaid expenses	6,492
Accounts payable	(11,031)
Accrued expenses	(1,118)
Customer deposits	2,230
Net Cash Flows From Operating Activities	<u>\$ 253,452</u>
Noncash Capital Financing Activities:	
Acquisition of property	
Acquisition/construction of capital assets	\$ 121,080
Vendor payable for property and equipment	(16,463)
Cash used to acquire/construct capital assets	<u>\$ 104,617</u>

See accompanying notes to the basic financial statements.

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
June 30, 2025

INTRODUCTION

The Town of Greenwood is incorporated under the provisions of the Lawrason Act. The Town operates under a Mayor–Board of Aldermen form of government.

(1) Summary of Significant Accounting Policies

The Town of Greenwood's financial statements are prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Town of Greenwood are discussed below.

A. Reporting Entity

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

GASB established criteria for determining which component units should be considered part of the Town of Greenwood for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criterion includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Town to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Town.
2. Organizations for which the Town does not appoint a voting majority but are fiscally dependent on the Town.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

In addition, the GASB states that a legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if *all* of the following criteria are met:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.

(Continued)

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
June 30, 2025
(Continued)

2. The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

In addition, other organizations should be evaluated as potential component units if they are closely related to, or financially integrated with, the primary government.

Based on the criteria described above, there are no component units to be included as part of the reporting entity.

B. Basic Financial Statements – Government-Wide Statements

The Town of Greenwood's basic financial statements include both government-wide (reporting the funds maintained by the Town of Greenwood as a whole) and fund financial statements (reporting the Town of Greenwood's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Town's general fund is classified as governmental activities. The Town's water and sewer services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental activities and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables, as well as long-term debt and obligations. The Town of Greenwood's net position is reported in three parts – net invested in capital assets; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town of Greenwood's functions. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating, and capital grants.

Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations of providing water and sewer services.

(Continued)

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
June 30, 2025
(Continued)

The net costs (by function) are normally covered by general revenue (property, sales and use taxes, certain intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the Town of Greenwood as an entity and the change in the Town of Greenwood's net assets resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Town of Greenwood are recorded in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Town of Greenwood:

1. Governmental Funds – the focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of the Town of Greenwood:
 - a. General fund is the general operating fund of the Town of Greenwood. It is used to account for all financial resources except those requires to be accounted for in another fund.
2. Proprietary Funds – the focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Town of Greenwood:
 - a. Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASB sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of fund category) for the determination of major funds.

(Continued)

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
June 30, 2025
(Continued)

The following major funds are presented in the fund financial statements:

General Fund – accounts for all financial resources except those required to be accounted for in another fund.

Enterprise fund-water/sewer – accounts for the provision of water and sewer services of the Town.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual: i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. Budgets

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

1. The Town Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public 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 after publication of the call for the hearing.

(Continued)

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
June 30, 2025
(Continued)

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 cash basis. Budgeted amounts in the accompanying statements are as originally adopted, or as amended by the Board of Aldermen. There were no amendments to the budget during the year.

F. Cash, Cash Equivalents, and Investments

Cash includes amounts in petty cash, demand deposits, interest bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Town may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments are limited by R.S. 33:2955 and the Town's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

G. Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	10–30 years
Furniture and equipment	5–20 years
Vehicles	5–10 years
Water and sewer systems	5–40 years

GASB requires the Town to report and depreciate new infrastructure assets effective July 1, 2003. Infrastructure assets include roads, bridges, traffic signals, etc. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is not required.

(Continued)

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
June 30, 2025
(Continued)

H. Revenues

Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. State law requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. Sales tax revenues are recorded in the period in which the underlying exchange has occurred. Fines, forfeitures, licenses, and permits are recognized in the period they are collected. Interest income on demand and time deposits is recorded when earned. Federal and state grants are recorded when the Town is entitled to the funds.

I. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Town's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

J. Fund Balance

GASB has issued standards which defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form, such as inventory or prepaid expenses, or (b) legally or contractually required to be maintained intact, such as a trust that must be retained in perpetuity.
2. Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
3. Committed fund balances include amounts that can be used only for the specific purposes as a result of constraints imposed by the board of alderman (the Town's highest level of decision making authority). Committed amounts cannot be used for any other purpose unless the board of aldermen removes those constraints by taking the same type of action (i.e. legislation, resolution, and ordinance).

(Continued)

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
June 30, 2025
(Continued)

4. Assigned fund balances are amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed.
5. Unassigned fund balance are the residual classification for the Town's general fund and include all spendable amounts not contained in the other classifications.

The Town's policy is to apply expenditures against nonspendable fund balances, restricted fund balances, committed fund balances, assigned fund balances, and unassigned fund balances, in that order.

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purpose amounts exceeds the positive fund balance for the non-general fund.

K. Sales Taxes

The Town collects a 1% sales and use tax. After paying reasonable and necessary costs and expenses of collecting and administering the tax, the tax is to be dedicated and used exclusively for the following purposes: general fund and sewerage fund land acquisitions; general fund and sewerage fund capital expenditures; sewerage fund for additions, improvements, and extensions of the sewerage system and general fund for operations.

L. Compensated Absences

The Town's policy allows annual leave based upon years of service. Employees may carry over accumulated annual leave from one anniversary date to another. Employees will receive pay in lieu of unused annual leave.

The Town's policy allows sick leave based upon time worked. Employees may carryover unused sick leave. While the Town does not compensate employees for unused sick leave upon separation from employment, it is more likely that not that employees will use their accrued sick leave during employment. In accordance with GASB Statement No. 101, the Town has recorded a liability for compensated absences related to expected future use of sick leave.

M. Interfund Activity

Interfund activity is reported as loans, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

(Continued)

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
June 30, 2025
(Continued)

N. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

O. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities in the statement of net assets. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

P. Bad Debts

Uncollectible amounts due for ad valorem taxes, customer's utility receivables, and special assessments are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. Accounts receivable for the General fund and Enterprise fund-water/sewer fund are shown net of an allowance of \$14,465 and \$133,580, respectively.

Q. Statement of Cash Flows

For the purposes of the Statement of Cash Flows, the Water and Sewer Funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

R. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently has deferred outflows of resources related to pensions.

(Continued)

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
June 30, 2025
(Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town currently has deferred inflows of resources related to pensions.

S. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements.

T. Pension Plan

The Town is a participating employer in a cost-sharing, multiple-employer, defined benefit pension plan as described in Note 14. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plans fiduciary net position have been determined on the same basis as they are reported by the plan.

U. Fair Value Measurements

Generally accepted accounting principles require disclosure to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 inputs – The valuation is based on quoted market prices for identical assets or liabilities traded in active markets;

Level 2 inputs – The valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability;

Level 3 inputs – The valuation is determined by using the best information available under the circumstances and might include the government's own data but should adjust those data if (a) reasonably available information indicates that other market participants would use different data or (b) there is something particular to the government that is not available to other market participants.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on lowest level of any input that is significant to the fair value measurement.

(Continued)

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
June 30, 2025
(Continued)

(2) Ad Valorem Taxes

The following is a summary of authorized and levied ad valorem taxes for the year:

	Authorized Millage	Levied Millage	Expiration Date
General Fund	9.95	9.95	Statutory

Approximately 25% of the Town's ad valorem taxes are derived from 10 taxpayers.

(3) Cash and Cash Equivalents

A. Cash and Cash Equivalents

At June 30, 2025, the Town has cash and cash equivalents (book balances) totaling \$7,228,892 of which \$275,729 is shown as restricted assets. 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 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.

B. Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2025, \$6,830,059 of the Town's bank balances totaling \$7,330,059 were exposed to custodial credit risk as follows:

Uninsured and collateral held by pledging bank's
trust department not in Town's name:

Cash and cash equivalents	<u>\$ 6,830,059</u>
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Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

(Continued)

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
June 30, 2025
(Continued)

(4) Receivables

The following is a summary of receivables at June 30, 2025:

Class of Receivable			
Governmental activities –			
Sales taxes	\$	83,274	
Gaming taxes		72,678	
License and permits		29,865	
Franchise fees		49,092	
Other		6,115	
Total governmental activities	\$	241,024	
Business-type activities –			
Water and sewer charges	\$	194,435	
Total business-type activities	\$	194,435	

(5) Restricted Assets – Proprietary Fund Type

Restricted assets were applicable to the following at June 30, 2025:

			Enterprise Fund
Cash:			
Customer deposits	\$	160,485	
Debt service		115,244	
	\$	275,729	

(6) Customers' Deposits

Deposits held for customers that are currently active on the water and sewer systems total \$160,485 at June 30, 2025.

(7) Commitments

AS of June 30, 2025, the Town of Greenwood has commitments for signed construction, engineering, and other contracts of approximately \$270,000. As of June 30, 2025, approximately \$47,970 had been incurred on those contracts, and the balance remaining in those contracts was approximately \$222,030, which will be incurred subsequent to June 30, 2025.

(Continued)

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
June 30, 2025
(Continued)

(8) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at June 30, 2025 consisted of the following:

<u>Class of Payable</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts	\$ 13,147	\$ 26,724	\$ 39,871
Compensated absences	9,898	9,119	19,017
Salaries and benefits	<u>55,586</u>	<u>2,858</u>	<u>58,444</u>
Total – fund statements	78,631	38,701	117,332
Accrued interest	<u> </u>	<u>13,187</u>	<u>13,187</u>
Total – government-wide Statements	<u>\$ 78,631</u>	<u>\$ 51,888</u>	<u>\$ 130,519</u>

(9) Interfund Transfers

Interfund transfers for the year ended June 30, 2025, consisted of the following:

	<u>Transfer To</u>	<u>Transfer From</u>	<u>Net</u>
Governmental Funds:			
General Fund	<u>\$ 20,329</u>	<u>\$</u>	<u>\$ 20,329</u>
Enterprise Funds:			
Enterprise fund	<u>\$ 20,329</u>	<u>(20,329)</u>	<u>(20,329)</u>
	<u>\$ 20,329</u>	<u>\$(20,329)</u>	<u>\$</u>

Transfers represent amounts paid by the Utility fund for the General fund expenses.

(10) On-Behalf Payments

The Town received a total of \$71,920 in police supplemental pay from the State of Louisiana. The Town recognizes this supplemental pay received by the employees as revenues and expenditures of the Town. The revenue is reported in the General Fund under intergovernmental revenues and the expenditure is reported as public safety expenditures.

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Town of Greenwood
Greenwood, Louisiana
Notes to the Financial Statements
June 30, 2025
(Continued)

(11) Litigation and Claims

At June 30, 2025, the Town is involved in several lawsuits. In the opinion of legal counsel for the Town, the outcome of the lawsuits is not presently determinable.

(12) Capital Assets

	Balance at July 1, 2024	Transfer	Additions	Deletions	Balance at June 30, 2025
Governmental Activities:					
Capital assets, not being depreciated:					
Construction in progress	\$ 200,000	\$ (200,000)	\$	\$	\$
Land	222,936				222,936
Total assets, not being depreciated	<u>422,936</u>	<u>(200,000)</u>			<u>222,936</u>
Capital assets, being depreciated:					
Buildings and improvements	1,255,307	200,000	61,646		1,516,953
Furniture and equipment	272,943		25,748		298,691
Vehicles	665,665		58,670	(149,160)	575,175
Playground - park	63,355				63,355
Total capital assets, being depreciated at historical cost	<u>2,257,270</u>	<u>200,000</u>	<u>146,064</u>	<u>(149,160)</u>	<u>2,454,174</u>
Less accumulated depreciation:					
Buildings and improvements	(850,596)		(62,969)		(913,565)
Furniture and equipment	(224,078)		(3,345)		(227,423)
Vehicles	(405,203)		(50,916)	149,160	(306,959)
Playground - park	(63,355)				(63,355)
Total accumulated depreciation	<u>(1,543,232)</u>		<u>(117,230)</u>	<u>149,160</u>	<u>(1,511,302)</u>
Total capital assets, being depreciated, net	<u>714,038</u>	<u>200,000</u>	<u>28,834</u>		<u>942,872</u>
Governmental activities capital assets, net	<u>\$ 1,136,974</u>	<u>\$ -</u>	<u>\$ 28,834</u>	<u>\$</u>	<u>\$ 1,165,808</u>

(Continued)

Town of Greenwood
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Notes to the Financial Statements
June 30, 2025
(Continued)

	Balance at July 1, 2024	Additions	Deletions	Balance at June 30, 2025
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 200,381	\$	\$	\$ 200,381
Construction in progress	47,970			47,970
Total assets, not being depreciated	248,351			248,351
Capital assets, being depreciated:				
Sewer system	5,603,334			5,603,334
Water system	12,433,932	121,080		12,555,012
Furniture and equipment	174,403			174,403
Buildings	137,046			137,046
Vehicles	119,829			119,829
Total capital assets, being depreciated at historical cost	18,468,544	121,080		18,589,624
Less accumulated depreciation:				
Sewer system	(4,352,229)	(141,265)		(4,493,494)
Water system	(6,871,498)	(432,980)		(7,304,478)
Furniture and equipment	(163,437)	(2,963)		(166,400)
Buildings	(137,046)			(137,046)
Vehicles	(113,028)	(6,801)		(119,829)
Total accumulated depreciation	(11,637,238)	(584,009)		(12,221,247)
Total capital assets, being depreciated, net	6,831,306	(462,929)		6,368,377
Business-type activities capital assets, net	\$ 7,079,657	\$ (462,929)	\$	\$ 6,616,728

Depreciation expense was charged to Governmental and Business-type Activities as follows:

	Governmental Activities	Business -type Activities	Total
Public Safety	\$ 37,490	\$	\$ 37,490
General Government	79,740		79,740
Water		435,943	435,943
Sewer		148,066	148,066
	\$ 117,230	\$ 584,009	\$ 701,239

(Continued)

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
June 30, 2025
(Continued)

(13) Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2025, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Other long-term					
Liabilities –					
Net pension	\$ 1,472,989	\$	\$(323,063)	\$ 1,149,926	\$
liability					
Compensated absences	<u>44,526</u>	<u> </u>	<u>(6,509)</u>	<u>38,017</u>	<u>33,563</u>
	<u>\$ 1,517,515</u>	<u>\$</u>	<u>\$(329,572)</u>	1,187,943	33,563
Less current portion				<u>(9,898)</u>	<u>(9,898)</u>
Total long-term liabilities, governmental activities				<u>\$ 1,178,045</u>	<u>\$ 23,665</u>
Business-type activities:					
Direct borrowings and direct placements:					
Water Revenue Bonds					
Series 2014	\$ 2,880,000	\$	\$ (198,000)	\$ 2,682,000	\$ 205,000
Other long-term liabilities					
Compensated Absences	<u>20,352</u>	<u>1,323</u>	<u> </u>	<u>21,675</u>	<u>21,675</u>
	<u>\$ 2,900,352</u>	<u>\$ 1,323</u>	<u>\$(198,000)</u>	2,703,675	226,675
Less portion due within one year				<u>(9,119)</u>	<u>(9,119)</u>
Total long term liabilities, business-type activities				<u>\$ 2,694,556</u>	<u>\$ 217,556</u>

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Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
June 30, 2025
(Continued)

Water revenue bonds:

\$4,125,000 dated 6/4/2015.

Payments of interest only semiannual and principal and interest payments annual. Annual debt service of approximately \$270,000. Interest rate of 2.95%.

Final payment November 1, 2035.

\$ 2,682,000

The Town entered into an agreement dated June 4, 2015, to issue bonds through the Louisiana Department of Health and Hospitals Drinking Water Revolving Loan Fund in the amount of \$5,250,000 for water system improvements. The loan will be entitled to principal forgiveness of up to \$1,125,000 or 30% of the total draws on the loan. Amounts drawn on the loan as of June 30, 2025 totaled \$5,250,000, with \$1,125,000 forgiven and \$1,443,000 paid, leaving an outstanding balance at June 30, 2025 of \$2,682,000.

The water revenue bonds are secured by and payable solely from a pledge and dedication of the excess annual revenues of the water system. Payments on water revenue bonds are made from the water fund. The interest rate for the water revenue bonds is 2.95%. The date of the final payment is November 1, 2035. The debt service requirements shown below reflect the maturities of the water revenue bonds.

Business-type Activities – Water Revenue Bonds

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 205,000	\$ 76,095
2027	212,000	69,945
2028	219,000	63,587
2029	226,000	57,023
2030	234,000	50,239
2031-2035	1,299,000	140,759
2036	<u>287,000</u>	<u>4,233</u>
	<u>\$ 2,682,000</u>	<u>\$ 461,881</u>

(Continued)

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
June 30, 2025
(Continued)

(14) Pension Plan

The Municipal Police Employees' Retirement System (System) is a cost-sharing multiple-employer defined benefit plan administered by a separate board of trustees. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees' Retirement System, 7722 Office Park Boulevard, Suite 200, Baton Rouge, Louisiana, 70809.

Plan Description

Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. Membership is also mandatory for all individuals, in a position as defined in the municipal fire and police civil service system, who are employed on a full-time basis by a police department of any municipality of this state, are under the direction of a chief of police, and are paid from the budget of the applicable police department. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Membership Prior to January 1, 2013

A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit. Benefit rates are 3 1/3% percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 40% to 60% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives benefits equal to ten percent of the member's average final compensation or \$200.00 per month, whichever is greater.

Membership Commencing January 1, 2013

Member eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60.

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Town of Greenwood
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Notes to Financial Statements
June 30, 2025
(Continued)

Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are 3% and 2 ½%, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statues, the benefits range from 25% to 55% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives 10% of average final compensation or \$200 per month whichever is greater. If deceased member had less than 10 years of service, beneficiary will receive a refund of employee contributions only.

Cost of Living Adjustments

The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility. No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost-of-living adjustment until they reach regular retirement age.

Under Act 170 of the 2013 Regular Session of the Legislature, the Board of Trustees may not take action to authorize a COLA during any calendar year prior to the end of the legislative session for that year, during the first six months of any year, or in any calendar year in which the legislature has granted a COLA unless the legislation granting such COLA specifically allows the Board to also take COLA action.

Pursuant to R.S. 11:2225.5, the Board of Trustees may provide a nonrecurring lump sum payment (subject to frequency limitations) or permanent benefit increase only from funds set aside in the System's funding deposit account. The funding deposit account may be credited with up to .085% of plan payroll in any year in which the Board of Trustees elects to require that employers contribute an amount in excess of the rate determined under R.S. 11:103. In such years as the Board sets the employer contribution rate above the rate determined under R.S. 11:103 (minimum net benefits for retirees, survivors, and beneficiaries, a contribution to the funding deposit account will be determined within the system's actuarial valuation. The funds in the account shall earn interest annually at the board approval valuation interest rate.

Deferred Retirement Option Plan

A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is 36 months or less. For those employees who enter DROP after June 30, 2024, participation in the DROP is 60 months or less. If employment is terminated after the DROP period, the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active

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Town of Greenwood
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Notes to Financial Statements
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(Continued)

contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money.

For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account. If the member elects a money market investment return, the funds are transferred to a government money market account and earn interest at the money market rate. If the member elects a money market investment account the funds are transferred to a government money market account. Pursuant to Act 78 of the 2019 Regular Session of the Louisiana Legislature, DROP members can self-direct their DROP funds. For those members who elected to self-direct their DROP funds the System transferred lump sum distributions to the stable value fund of Empower Retirement. Empower Retirement acts as an agent of the System to allow participants to self-direct the investment of their lump sum balances. Participants can irrevocably elect to participate in the self-directed portion of the program. If they do so, they can invest in Vanguard Lifestrategy Funds through Empower Retirement.

Initial Benefit Option Plan

In 1999, the State Legislature authorized the System to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on same criteria as DROP.

Contributions

Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay. For the year ended June 30, 2024, total contributions due from employers and employees was 43.925%. The employer and employee contribution rates for all members hired prior to January 1, 2013 and Hazardous Duty members hired after January 1, 2013 were 43.925% and 10%, respectively. The employer and employee contribution rates for all Non-Hazardous Duty members hired after January 1, 2013 were 41.925% and 8%, respectively. The employer and employee contribution rates for all members whose earnable compensation is less than or equal to the poverty guidelines were 43.925% and 7.5%, respectively. The Town contributions to the System for the years ended June 30, 2025, 2024, and 2023 were \$215,640, \$165,433, and \$147,245, respectively. Included in contributions for the year ended June 30, 2025, are contributions for the month of June 2025 in the amount of \$16,958, which were paid in July 2025.

Non-Employer Contributions

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions totaling \$33,015 are recognized as revenue during the year ended June 30, 2025, and excluded from pension expense.

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Town of Greenwood
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Notes to Financial Statements
June 30, 2025
(Continued)

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

At June 30, 2025, the Town reported a liability of \$1,149,926 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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 proportion of the net pension liability was based on the employer's contributions to the System during the year ended June 30, 2024, as compared to the total of all employers' contributions to the System for the year ended June 30, 2024. At June 30, 2024, the Town's proportion was .126924%, which was a decrease of .012498% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the Town recognized pension expense of \$154,862, plus employer's amortization of change in proportionate share and the difference between employer contributions and proportionate share of contributions, \$11,992.

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

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 62,260	\$ 34,786
Changes of assumptions		
Net difference between projected and actual earnings on pension plan investments	31,967	
Changes in proportion and differences between employer contributions and proportionate share of contributions	20,725	135,186
Employer contributions subsequent to the measurement Date	215,640	
Total	\$ 330,592	\$ 169,972

The Town reported a total of \$215,640 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2024, which will be recognized as a reduction in net pension liability in the year ended June 30, 2026.

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

Year	Amount
2025	\$ (28,359)
2026	59,018
2027	(65,525)
2028	(20,154)
Total	\$ (55,020)

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Notes to Financial Statements
June 30, 2025
(Continued)

Actuarial Methods and Assumptions

The actuarial assumptions used in the June 30, 2024 valuation were based on the assumptions used in the June 30, 2024 actuarial funding valuation and were based on the results of an actuarial experience study for the period of July 1, 2014 through June 30, 2019. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2024 are as follows:

Valuation Date	June 30, 2024	
Actuarial Cost Method	Entry Age Normal Cost	
Investment Rate of Return	6.750%, net of investment expense	
Expected Remaining Service Lives	2024 – 4 years 2023 – 4 years 2022 – 4 years 2021 – 4 years	
Inflation Rate	2.50%	
Salary increases, including inflation and merit	<u>Years of Service</u>	<u>Salary Growth Rate</u>
	1-2	12.30%
	Above 2	4.70%
Mortality	For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.	
	For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.	
	For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.	

(Continued)

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
June 30, 2025
(Continued)

Cost-of-Living Adjustments The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period of July 1, 2014 through June 30, 2019, and review of similar law enforcement mortality. A change was made full generational mortality which combines the use of a base mortality table with appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combined with a standard table to produce current levels of mortality.

The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long-term rate of return is 7.86% for the year ended June 30, 2024.

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

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

The discount rate used to measure the total pension liability was 6.750%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the actuarially determined rates approve by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Town of Greenwood
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Notes to Financial Statements
June 30, 2025
(Continued)

Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.75%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.75% or one percentage point higher 7.75% than the current rate.

	Changes in Discount Rate		
	1% Decrease	Current Discount Rate	1% Increase
	<u>5.75%</u>	<u>6.75%</u>	<u>7.75%</u>
Net Pension Liability	\$1,708,187	\$1,149,926	\$683,887

Change in Net Pension Liability

The changes in the net pension liability for the year ended June 30, 2024 were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience:

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension (benefit) 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 plan.

Differences between Projected and Actual Investment Earnings:

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense (benefit) using the straight-line amortization method over a closed five-year period.

Changes of Assumptions or Other Inputs:

Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense (benefit) 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 plan.

Change in Proportion:

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) 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 pensions through the pension plan.

Contributions – Proportionate Share

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that

(Continued)

Town of Greenwood
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Notes to Financial Statements
June 30, 2025
(Continued)

are provided with a pension through the pension plan. The resulting deferred inflow or deferred outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

Pension Plans Fiduciary Net Positions

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's plan fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily related to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts. The Plan's fiduciary net position has been determined on the same basis as that used by the plan. Detailed information about the fiduciary net position is available in a stand-alone audit report on their financial statements for the year ended June 30, 2024. Access to these reports can be found on the Louisiana Legislative Auditor's website, www.la.la.gov.

(15) Other Postemployment Benefits

The Town provides no other postemployment benefits to its employees.

(16) Risk Management

The Town purchases commercial insurance to provide workers compensation coverage and general liability and property insurance. There were no significant reductions in insurance coverage from the previous year.

(17) Prior Period Restatement

The fund balance and net position of the Town of Greenwood governmental funds, governmental activities, and business-type activities were restated as of June 30, 2024, to correct the recognition of sick leave and to correct fixed assets, as noted below:

	General Fund	Governmental Activities	Business-Type Activities
Net Position, June 30, 2024, as previously reported	\$ 6,611,810	\$ 6,663,268	\$ 4,399,168
Capitalization of fixed assets		44,342	
Recognition of sick leave	(4,835)	(17,780)	(12,888)
Total Net Position, June 30, 2024, restated	\$ 6,606,975	\$ 6,689,830	\$ 4,386,280

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Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
June 30, 2025
(Continued)

(18) Interfund Balances

Interfund balances at June 30, 2025 consisted of the following:

	<u>Due From Other Fund</u>	<u>Due To Other Fund</u>	<u>Net</u>
Governmental Funds:			
General Fund	\$ 344,446	\$ _____	\$ 344,446
Total Governmental Funds	<u>344,446</u>	<u>_____</u>	<u>344,446</u>
Enterprise Funds:			
Enterprise fund	_____	(344,446)	(344,446)
Total Enterprise Funds	_____	<u>(344,446)</u>	<u>(344,446)</u>
Total	<u>\$ 344,446</u>	<u>\$(344,446)</u>	<u>\$ _____</u>

The interfund balances are the results of the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

(19) Subsequent Events

In July 2025, the Town signed a lease for four vehicles. The lease requires annual payments of \$68,114, for a total of \$340,570, with a final payment due July 2030.

Subsequent events have been evaluated through December 19, 2025, the date the financial statements were available to be issued.

(20) Adoption of New Accounting Standard – GASB Statement No. 101

During the year ended June 30, 2025, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. This Statement provides recognition and measurement guidance for all types of compensated absences, including sick leave and vacation leave. GASB 101 requires that compensated absences be recognized as a liability and expense when the leave is earned, rather than when it is paid.

The implementation of GASB 101 resulted in a change in accounting policy and required a restatement of the beginning fund balance / net position of the governmental funds, governmental activities, and business-type activities to recognize a liability for sick leave previously unrecorded. The effect of this restatement is disclosed with prior period restatements as disclosed in Note 17.

Town of Greenwood
Greenwood, Louisiana
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2025

	Budgeted Original and Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues:			
Ad valorem taxes	\$ 275,000	\$ 305,683	\$ 30,683
Franchise taxes	160,000	197,369	37,369
Licenses and permits	125,000	203,402	78,402
Gaming taxes	400,000	511,500	111,500
Intergovernmental revenues	15,000	319,673	304,673
Fines and forfeitures	400,000	380,866	(19,134)
Investment earnings	12,500	189,734	177,234
Miscellaneous	23,000	75,406	52,406
Total revenues	<u>1,410,500</u>	<u>2,183,633</u>	<u>773,133</u>
Expenditures:			
Current:			
General government	850,000	777,838	72,162
Public safety	1,318,700	1,385,112	(66,412)
Capital outlay	<u> </u>	<u>146,064</u>	<u>(146,064)</u>
Total expenditures	<u>2,168,700</u>	<u>2,309,014</u>	<u>(140,314)</u>
Excess (deficiency) of revenues over expenditures	(758,200)	(125,381)	632,819
Other financing sources (uses):			
Transfers in	<u>900,000</u>	<u>809,829</u>	<u>(90,171)</u>
Total other financing sources (uses)	<u>900,000</u>	<u>809,829</u>	<u>(90,171)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	141,800	684,448	542,648
Fund balances at beginning of year	<u>532,704</u>	<u>7,063,525</u>	<u>6,530,821</u>
Fund balances at end of year	<u>\$ 674,504</u>	<u>\$ 7,747,973</u>	<u>\$ 7,073,469</u>

See accompanying note to the required supplementary schedule.

Town of Greenwood
Greenwood, Louisiana
Notes to Required Supplementary Information
June 30, 2025

The Town's budget is adopted on a cash basis for all funds. There were no amendments to the 2025 budget. Budget comparison statements included in the accompanying financial statements include the original and adopted budgets. The schedule below reconciles excess (deficiency) of revenues and other sources over expenditures and other uses on the budget basis with GAAP basis:

		<u>General Fund</u>
Excess of revenues and other sources over expenditures and other uses (budget basis)	\$	684,448
Adjustments:		
Revenue accruals – net	(12,857)
Expenditure accruals – net	(11,111)
Revenues, transfers, and Other financing sources:		
Sales Tax		822,376
Expenditures, transfers, and Other financing uses:		
Sales Tax	(<u>714,829)</u>
Excess of revenues and other sources over expenditures and other uses (GAAP) basis	\$	<u>768,027</u>

Town of Greenwood
Greenwood, Louisiana
Schedule of Proportionate Share of Net Pension Liability
For the Year Ended June 30, 2025

Municipal Police Employees' Retirement System

Year Ended June 30	Proportion of the net pension liability	Proportionate share of the net pension liability	Covered-employee payroll	Proportionate share of the net pension liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	0.12692%	\$ 1,149,926	\$ 487,643	235.81%	75.84%
2024	0.13942%	1,472,989	471,184	312.61%	71.30%
2023	0.15302%	1,564,136	475,311	329.08%	70.80%
2022	0.14277%	761,063	435,575	174.73%	84.09%
2021	0.14550%	1,344,750	449,406	299.23%	70.94%
2020	0.12218%	1,109,944	381,670	290.81%	71.01%
2019	0.13092%	1,106,839	386,373	286.47%	71.89%
2018	0.12849%	1,121,781	383,588	292.44%	70.08%
2017	0.13821%	1,295,398	387,147	334.60%	66.04%
2016	0.14455%	1,132,414	387,666	292.11%	70.73%

*Amounts presented were determined as of the measurement date (fiscal year ended June 30).

Town of Greenwood
Greenwood, Louisiana
Schedule of Contributions
For the Year Ended June 30, 2025

Municipal Police Employees' Retirement System

Year Ended June 30	Statutorily Required Contribution	Contributions in relation to the statutorily required contribution	Contribution Deficiency (Excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
2025	\$ 215,640	\$ 215,640	\$	\$ 605,732	35.60%
2024	165,433	165,433		487,643	33.93%
2023	147,245	147,245		471,184	31.25%
2022	141,449	141,449		475,311	29.76%
2021	146,629	146,629		435,575	33.66%
2020	146,057	146,057		449,406	32.50%
2019	123,179	123,179		381,670	32.27%
2018	118,810	118,810		386,373	30.75%
2017	121,789	121,789		383,588	31.75%
2016	114,208	114,208		387,147	29.50%

*Amounts presented were determined as of the end of the fiscal year (June 30).

Town of Greenwood
Greenwood, Louisiana
Schedule of Compensation Paid to Board Members
For the Year Ended June 30, 2025

Mayor - Justin Davis, Salary and Allowance	\$ 30,000
Alderman:	
Brad Driggers	3,000
Shannon Clemons	3,000
Dennis Adock	3,000
Jerry Steele	3,000
Jodi Larsen	3,000
	<hr/>
	\$ 45,000
	<hr/> <hr/>

Town of Greenwood
Greenwood, Louisiana
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended June 30, 2025

Agency Head: Justin Davis, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 30,000
Benefits - insurance	29,576

Town of Greenwood
Justice System Funding Schedule - Collecting/Disbursing Schedule

Cash Basis Presentation
 As Required by La. R.S. 24:515.2

	Amount for 07/01/2024 - 12/31/2024	Amount for 01/01/2025 - 06/30/2025
1. Beginning Cash Balance	2,977	2,828
2. Collections		
a. Civil Fees	-	-
b. Bond Fees	-	-
c. Cash Bonds	-	-
d. Asset Forfeiture/Sale	-	-
e. Pre-Trial Diversion Program Fees	-	-
f. Criminal Court Costs/Fees	184,184	254,898
g. Criminal Fines – Contempt	-	-
h. Criminal Fines – Other/Non-Contempt	-	-
i. Restitution	-	-
j. Probation/Parole/Supervision Fees	-	-
k. Service Fees	-	-
l. Collection Fees	-	-
m. Interest Earnings on Collected Balances	-	-
n. Other	-	-
Total Collected	184,184	254,898
3. Deductions: Collections Retained by the Town of Greenwood		
I. Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
II. Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
III. Other Amounts "Self-Disbursed" (Enter amounts on appropriate collection type lines)		
a. Civil Fees	-	-
b. Bond Fees	-	-
c. Cash Bonds	-	-
d. Asset Forfeiture/Sale	-	-
e. Pre-Trial Diversion Program Fees	-	-
f. Criminal Court Costs/Fees	163,388	215,037
g. Criminal Fines – Contempt	-	-
h. Criminal Fines – Other/Non-Contempt	-	-
i. Restitution	-	-
j. Probation/Parole/Supervision Fees	-	-
k. Service Fees	-	-
l. Collection Fees (excluding amounts reported in bullets I and II above)	-	-
m. Interest Earnings on Collected Balances	-	-
n. Other	-	-
Total Collections Retained by the Town of Greenwood	163,388	215,037
4. Deductions: Amounts Disbursed to Individuals and Entities, Excluding Governments and Nonprofits		
a. Collection/Processing Fees Paid to Third Party Entities	-	-
b. Civil Fee Refunds	-	-
c. Bond Refunds	-	-
d. Restitution Disbursements to Individuals and Entities, Excluding Governments or a Nonprofit	-	-
e. Other Disbursements to Individuals and Entities, Excluding Governments or a Nonprofit	-	-
Total Amounts Disbursed to Individuals and Entities, Excluding Governments and Nonprofits	-	-
5. Deductions: Total Disbursements to Other Governments & Nonprofits (See Disbursements to Other Governments & Nonprofits Form for Details)	20,945	37,251
6. Total Amounts Disbursed/Retained	184,333	252,288
7. Ending Cash Balance	2,828	5,438
8. Ending Balance of "Partial Payments" Collected but not Disbursed	-	-
9. Other Information:		
I. Ending Balance of Amounts Assessed but Not Yet Collected (i.e. total ending receivable balances)	-	-
II. Total Waivers During the Fiscal Period (i.e. non-cash reduction of receivable balances, such as time served or community service)	-	-

Town of Greenwood

Justice System Funding Schedule - Disbursements to Other Governments & Nonprofits Form

Cash Basis Presentation

As Required by La. R.S. 24:515.2

5. Details of Disbursements To Other Governments & Nonprofits (Do not include amounts retained by your entity in this table.)

Agency Receiving Money	Disbursement Description [Fund, Program, etc.] (Optional)	Legal Authority to Disburse Money	Disbursement Type	Amount for 07/01/2024 - 12/31/2024	Amount for 01/01/2025 - 06/30/2025
Louisiana Department of Health	§2633. Traumatic Head and Spinal Cord Injury Trust Fund	R.S. 46:2633	f. Criminal Court Costs/Fees	1,475	2,360
Criminalistics Laboratory North Louisiana		R.S. 40:2266.1.1	f. Criminal Court Costs/Fees	16,800	30,410
Department of the Treasury		CCRP 887 (F)(1)	f. Criminal Court Costs/Fees	2,347	2,712
Supreme Court	§86. Judicial College; education account; sources of funds	R.S. 13:86	f. Criminal Court Costs/Fees	323	510
LA Commission on Law Enforcement and Administration of Criminal Justice		R.S. 46:1816(D)	f. Criminal Court Costs/Fees	-	1,259

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CERTIFIED PUBLIC ACCOUNTANTS

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*

Independent Auditors' Report

The Honorable Justin Davis, Mayor
and Members of the Town Council
Town of Greenwood
Greenwood, Louisiana

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, business-type activities, and each major fund of the Town of Greenwood as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town of Greenwood's basic financial statements, and have issued our report thereon dated December 19, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Greenwood'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 of Greenwood's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Greenwood'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 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 the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Summary Schedule of Current Year Audit Findings as item 2025-001, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Greenwood's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Summary Schedule of Current Year Audit Findings as items 2025-002 and 2025-003.

Town of Greenwood's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Greenwood's response to the findings identified in our audit and described in the accompanying Summary Schedule of Current Year Audit Findings. The Town of Greenwood'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.



Cook & Morehart
Certified Public Accountants
December 19, 2025

Town of Greenwood
Greenwood, Louisiana
Summary Schedule of Prior Audit Findings for the Louisiana Legislative Auditor
June 30, 2025

There were three findings for the prior year audit for the year ended June 30, 2024.

2024-001 – Accounts Receivable

Condition – Significant Deficiency: The spreadsheet which is utilized by the Town for tracking collections of water and sewer funds and the corresponding changes in accounts receivable was not being prepared consistently and correctly to ensure that the activity as posted in the subsidiary billing software was in agreement with the general ledger.

Recommendation: We recommend that the Town's controls for monitoring accounts receivable balances be properly followed, including ensuring that balances per the general ledger are in agreement with the subsidiary ledger.

Current Status: See repeat finding in current year.

2024-002 Finding - Budget

Finding: The budget for the fiscal year ending June 30, 2024, was not advertised prior to being adopted and was not adopted prior to the beginning of the fiscal year.

Recommendation: We recommend that the budget be properly advertised and adopted, in accordance with the Local Government Budget Act.

Current Status: See finding in current year audit.

2024-003 Finding – Debt Service Requirements

Finding: The debt service sinking, reserve, and contingency fund accounts were not correctly funded during the year. As of June 30, 2024, the accounts were underfunded by a combined total of approximately \$46,233.

Recommendation: We recommend that the Town implement controls for ensuring that the required amounts are transferred into the sinking, reserve, and contingency funds on a monthly basis.

Current Status: See repeat finding in current year audit.

Town of Greenwood
Greenwood, Louisiana
Summary Schedule of Current Year Audit Findings for the Louisiana Legislative Auditor
June 30, 2025

There are three findings for the current year audit for the year ended June 30, 2025.

2025-001 – Accounts Receivable

Condition – Significant Deficiency: The spreadsheet which is utilized by the Town for tracking collections of water and sewer funds and the corresponding changes in accounts receivable was not being prepared consistently and correctly to ensure that the activity as posted in the subsidiary billing software was in agreement with the general ledger.

Criteria: Controls should be in place for monitoring the accounts receivable for the water and sewer funds to ensure that amounts are properly posted to the general ledgers and are in agreement with the subsidiary ledger.

Cause: Controls were not in place to ensure that the spreadsheet which is utilized for monitoring the accounts receivable for the water and sewer funds was consistently and properly prepared so that potential misstatements in the balances on the general ledgers would be detected.

Effect: Without adequate controls in place for monitoring accounts receivable, misstatements in the accounts receivable for the water and sewer funds could occur and not be detected in the employees' normal course of performing their assigned duties.

Recommendation: We recommend that the Town's controls for monitoring accounts receivable balances be properly followed, including ensuring that balances per the general ledger are in agreement with the subsidiary ledger.

Management's Response: The Town will strengthen its controls to ensure that accounts receivable balances are properly reviewed and reconciled with general ledger and subsidiary ledger.

2025-002 Finding - Budget

Finding: The budget for the fiscal year ending June 30, 2025, was not adopted prior to the beginning of the fiscal year. In addition, actual expenditures for the year ended June 30, 2025, exceeded budgeted expenditures by more than 5%.

Criteria: The Local Government Budget Act requires that the budget be adopted prior to the end of the prior fiscal year and that the budget be amended when actual plus projected expenditures are expected to exceed budgeted amounts by more than 5%.

Cause: Controls were not in place for ensuring that the budget was adopted in accordance with the Local Government Budget Act.

Effect: The Town was not in compliance with the Local Government Budget Act.

Recommendation: We recommend that the budget be properly adopted and amended, in accordance with the Local Government Budget Act.

Management's Response: The Town will implement controls for ensuring that the budget is appropriately adopted and amended, in accordance with the Local Government Budget Act.

(Continued)

Town of Greenwood
Greenwood, Louisiana
Summary Schedule of Current Year Audit Findings for the Louisiana Legislative Auditor
June 30, 2025
(Continued)

2025-003 Finding – Debt Service Requirements

Finding: The debt service sinking, reserve, and contingency fund accounts were not correctly funded during the year. As of June 30, 2025, the accounts were underfunded by a combined total of approximately \$195,461.

Criteria: The Town's Series 2014 Water Revenue Bonds ordinance requires the establishment of a sinking fund, a reserve fund, and a contingency fund. Monthly transfers are required into the each fund based upon future amounts due and the calculation as stipulated in the bond ordinance.

Cause: The required amounts were not transferred into the sinking fund, reserve, and contingency funds during the year, resulting in the accounts being under-funded as of June 30, 2025.

Effect: The Town was not in compliance with the funding requirements for the sinking, reserve, and contingency accounts, as set forth in the bond ordinance.

Recommendation: We recommend that the Town implement controls for ensuring that the required amounts are transferred into the sinking, reserve, and contingency funds on a monthly basis.

Management's Response: The Town will implement controls for monitoring the sinking, reserve, and contingency fund requirements to ensure appropriate balances are maintained in each fund, as stipulated in the bond ordinance.

COOK & MOREHART

Certified Public Accountants

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Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Honorable Justin Davis, Mayor
and Members of the Town Council
Town of Greenwood
Greenwood, Louisiana
and the Louisiana Legislative Auditor

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

The Town of Greenwood has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) *Written Policies and Procedures*

Testing not required for this area for the fiscal period July 1, 2024 through June 30, 2025, due to no exceptions being noted in prior year.

2) *Board or Finance Committee Minutes*

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or*

included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Procedures performed. Noted the following exception:

Exception: Progress of resolving prior year audit findings was not documented in council meeting minutes.

3) Bank Reconciliations

Testing not required for this area for the fiscal period July 1, 2024 through June 30, 2025, due to no exceptions being noted in prior year.

4) Collections (excluding electronic funds transfers)

Testing not required for this area for the fiscal period July 1, 2024 through June 30, 2025, due to no exceptions being noted in prior year.

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

Testing not required for this area for the fiscal period July 1, 2024 through June 30, 2025, due to no exceptions being noted in prior year.

6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

Testing not required for this area for the fiscal period July 1, 2024 through June 30, 2025, due to no exceptions being noted in prior year.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
 - i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Procedures performed. No exceptions noted.

8) Contracts

Testing not required for this area for the fiscal period July 1, 2024 through June 30, 2025, due to no exceptions being noted in prior year.

9) Payroll and Personnel

Testing not required for this area for the fiscal period July 1, 2024 through June 30, 2025, due to no exceptions being noted in prior year.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Procedures performed. No exceptions noted.

11) Debt Service

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

Procedures performed. Noted the following exception:

Exception: Actual sinking and reserve balances for debt selected does not agree with the balance required by debt covenants.

12) Fraud Notice

Testing not required for this area for the fiscal period July 1, 2024 through June 30, 2025, due to no exceptions being noted in prior year.

13) Information Technology Disaster Recovery/Business Continuity

Testing not required for this area for year two.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Procedures performed. Noted the following exception:

Exception: The sexual harassment report did not have a completion date noted on report.

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

We are required to be independent of the Town of Greenwood 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.

Cook & Morehart

Cook & Morehart
Certified Public Accountants
December 19, 2025



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Justin Davis
MAYOR

Tiffany Searcy
TOWN CLERK

December 19, 2025

Cook & Morehart, CPAs
1215 Hawn Ave
Shreveport, LA 71107

Town of Greenwood submits the following response to the exceptions identified in the Statewide Agreed-Upon Procedures Report for the year ended June 30, 2025:

Exception: Progress of resolving prior year audit findings was not documented in council meeting minutes.

Response: The Town will document the progress of addressing audit findings in the council meeting minutes until resolved.

Exception: Actual sinking and reserve balances for debt selected does not agree with the balance required by debt covenants.

Response: The Town will implement controls to ensure the sinking and reserve accounts are properly funded as required by debt covenants.

Exception: The sexual harassment report did not have a completion date noted on the report.

Response: The Town will document the completion date of the sexual harassment report in the future.

Sincerely,

Justin Davis
Mayor

Shannon Clemons
District #1

Jerry Steele
District #2

Willie Adcock
District #3

Brad Driggers
District #4

Jodi Larsen
Alderman At Large

"Life is good in Greenwood"