

**Town of Plain Dealing
Plain Dealing, Louisiana
Financial Statement with Auditors' Report
As of and For the Year Ended December 31, 2025**

Town of Plain Dealing
Plain Dealing, Louisiana

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Plain Dealing, Louisiana

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Independent Auditors' Report

The Honorable James Cook, Mayor
and Members of the Town Council
Town of Plain Dealing
Plain Dealing, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Plain Dealing, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Town of Plain Dealing'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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Plain Dealing, as of December 31, 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 Plain Dealing 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 Plain Dealing'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 Plain Dealing'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 Plain Dealing's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 – 9 and 43 - 44, the schedule of proportionate share of net pension liability on page 45, and the schedule of contributions on page 46 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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

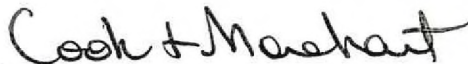
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Plain Dealing's basic financial statements. The accompanying other supplementary information listed in the table of contents and shown on pages 47 - 48 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplementary 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. Such information has been subjected to the auditing procedures applied in

the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements 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 Plain Dealing prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. The other supplementary information schedules, Justice System Funding Schedules, shown on pages 49 - 50, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The schedules are 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. The 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the Justice System Funding Schedules, shown on pages 49 - 50, are 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 June 23, 2026, on our consideration of the Town of Plain Dealing'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 Plain Dealing'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 Plain Dealing's internal control over financial reporting and compliance.



Cook & Morehart,
Certified Public Accountants, LLC
June 23, 2026

TOWN OF PLAIN DEALING

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Town of Plain Dealing's financial performance provides an overview of the Town of Plain Dealing's financial activities for the fiscal year ended December 31, 2025. Please read it in conjunction with the Town's financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

- The Town of Plain Dealing's net position of our governmental activities decreased by \$261,720 or 8%. The Town of Plain Dealing's net position of our business-type activities increased \$15,741 or less than 1%.
- In the Town's governmental activities, total general and program revenues were \$1,338,442 in 2025 compared to \$1,300,686 in 2024. Total expenses, excluding depreciation, totaled \$1,396,074 for the year ended December 31, 2025.
- In the Town's business-type activities, total revenues were \$818,656 in 2025 compared to \$669,225 in 2024. Total expenses, excluding depreciation, totaled \$654,577, for the year ended December 31, 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 10 and 11) provide information about the activities of the Town of Plain Dealing as a whole and present a longer-term view of the Town's finances. Fund financial statements start on page 12. 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 Plain Dealing's operations in more detail than the government-wide statements by providing information about the Town of Plain Dealing's most significant funds.

Reporting the Town of Plain Dealing as a Whole

Our analysis of the Town of Plain Dealing as a whole begins on page 10. One of the most important questions asked about the Town of Plain Dealing's finances is "Is the Town of Plain Dealing 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 Plain Dealing 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 Plain Dealing's *net positions* and changes in them. You can think of the Town of Plain Dealing's net position – the difference between assets, deferred outflows of

resources, liabilities, and deferred inflows of resources – as one way to measure the Town of Plain Dealing’s financial health, or *financial position*. Over time, *increases* or *decreases* in the Town of Plain Dealing’s net positions are 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, and sanitation systems are reported here.

Reporting the Town’s Most Significant Funds

Our analysis of the major funds maintained by the Town of Plain Dealing begins on page 12. The fund financial statements begin on page 12 and provide detailed information about the most significant funds maintained by the Town of Plain Dealing – not the Town of Plain Dealing as a whole. The Town of Plain Dealing’s two kinds of funds – *governmental* and *proprietary* – use different accounting approaches.

Governmental funds – Most of the Town of Plain Dealing’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 Plain Dealing’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 Plain Dealing expenses. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* in a reconciliation following 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 PLAIN DEALING AS A WHOLE

The Town of Plain Dealing's combined net position changed from a year ago, decreasing from \$5,677,466 to \$5,431,487. A comparative analysis of the funds maintained by the Town of Plain Dealing is presented in Table 1 below:

Table 1
Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 1,680,665	\$ 1,916,101	\$ 443,188	\$ 441,838	\$ 2,123,853	\$ 2,357,939
Capital assets	1,769,356	1,827,953	2,364,162	2,420,977	4,133,518	4,248,930
Total assets	<u>3,450,021</u>	<u>3,744,054</u>	<u>2,807,350</u>	<u>2,862,815</u>	<u>6,257,371</u>	<u>6,606,869</u>
Deferred outflows of resources	51,519	78,567			51,519	78,567
Other Liabilities	35,100	40,215	328,981	358,262	364,081	398,477
Long-term liabilities	164,710	290,263	191,855	233,780	356,565	524,043
Total liabilities	<u>199,810</u>	<u>330,478</u>	<u>520,836</u>	<u>592,042</u>	<u>720,646</u>	<u>922,520</u>
Deferred inflows of resources	<u>156,757</u>	<u>85,450</u>			<u>156,757</u>	<u>85,450</u>
Net position:						
Net investment in capital assets	1,769,356	1,827,953	2,116,767	2,074,974	3,886,123	3,902,927
Restricted				10,677		10,677
Unrestricted	<u>1,375,617</u>	<u>1,578,740</u>	<u>169,747</u>	<u>185,122</u>	<u>1,545,364</u>	<u>1,763,862</u>
Total net position	<u>\$ 3,144,973</u>	<u>\$ 3,406,693</u>	<u>\$ 2,286,514</u>	<u>\$ 2,270,773</u>	<u>\$ 5,431,487</u>	<u>\$ 5,677,466</u>

Net position of the Town of Plain Dealing's governmental activities decreased by \$261,720 or 8%. Net position of the Town of Plain Dealing's business-type activities increased by \$15,741 or less than 1%. See Table 2 below:

Table 2
Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues						
Charges for services	\$ 319,089	\$ 310,048	\$ 817,814	\$ 512,302	\$ 1,136,903	\$ 822,350
Operating grants	26,034	34,314		155,980	26,034	190,294
Capital grants	10,024	63,649			10,024	63,649
General revenue						
Ad valorem taxes	40,267	31,684			40,267	31,684
Sales taxes	663,941	555,551			663,941	555,551
Franchise taxes	26,280	24,570			26,280	24,570
Gaming taxes	223,245	244,977			223,245	244,977
Other taxes	1,926	2,059			1,926	2,059
Investment earnings	15,133	25,930	842	943	15,975	26,873
Miscellaneous	12,503	7,904			12,503	7,904
Loss on disposal			(96,313)		(96,313)	
Transfers	(131,915)	(139,814)	131,915	139,814		
Total revenues	<u>1,206,527</u>	<u>1,160,872</u>	<u>854,258</u>	<u>809,039</u>	<u>2,060,785</u>	<u>1,969,911</u>
Expenses						
General government	406,693	337,970			406,693	337,970
Economic development	351,525				351,525	
Public safety	419,976	461,791			419,976	461,791
Streets and sanitation	290,053	285,567			290,053	285,567
Water, sewer, and sanitation			838,517	802,721	838,517	802,721
Total expenses	<u>1,468,247</u>	<u>1,085,328</u>	<u>838,517</u>	<u>802,721</u>	<u>2,306,764</u>	<u>1,888,049</u>
 Change in net position	 <u>\$ (261,720)</u>	 <u>\$ 75,544</u>	 <u>\$ 15,741</u>	 <u>\$ 6,318</u>	 <u>\$ (245,979)</u>	 <u>\$ 81,862</u>

The Town's total revenues increased by \$90,874 or 5%. The total cost of all programs and services increased \$418,715 or 22%. Our analysis below separately considers the operations of the governmental and business-type activities.

Governmental Activities

Total revenues for the governmental activities increased by \$37,756 or 5% from total revenues in the year ended December 31, 2024 of \$1,300,686 to total revenues of \$1,338,442 in the year ended December 31, 2025.

The cost of all governmental activities this year was \$1,468,247. These costs were covered in part by \$355,147 of program revenues, with the remainder covered by general revenues, including ad valorem and sales taxes.

Business-type Activities

Total revenues for the business-type activities increased \$149,431 or 22% from total revenues in the year ended December 31, 2024, of \$669,225 to total revenues of \$818,656 in the year ended December 31, 2025. The primary reason for the increase was higher water collections resulting from the addition of a sawmill.

The cost of all business-type activities this year was \$838,517. These costs were covered in part by program revenues, consisting of charges for services assessed to users and operating grants and contributions.

THE TOWN'S FUNDS

As the Town completed the year, its governmental funds (as presented in the balance sheet on page 12) reported a *combined* fund balance of \$1,566,495, which is less than last year's fund balance of \$1,792,288.

General Fund Budgetary Highlights

The Town adopted a budget for its General Fund for the year ended December 31, 2025. There was one amendment to the budget during the year. The Town's budgetary comparison is presented as required supplementary information and shown on page 43. Highlights for the year are as follows:

- General government expenditures were approximately \$138,724 less than budgeted amounts.
- Overall revenues and other financing sources were approximately \$155,447 more than budgeted amounts.

The Town's General Fund fund balance of \$1,518,145 reported on page 14 differs from the General Fund's budgetary fund balance of \$544,319 reported in the budgetary comparison schedule on page 43. This is primarily due to the Town budgeting on the cash basis of accounting, and due to the General Fund fund balance on page 14 including the activities of the Sales Tax Fund and Industrial Development Fund which are not included in the budgetary comparison schedule.

CAPITAL ASSESTS

At the end of December 31, 2025, the Town of Plain Dealing had invested \$4,133,518 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	\$ 488,281	\$ 488,281	\$ 30,078	\$ 30,078	\$ 518,359	\$ 518,359
Construction in progress			295,824	318,885	295,824	318,885
Buildings and improvements	836,358	869,182	14,396	15,376	850,754	884,558
Street improvements	381,365	417,293			381,365	417,293
Equipment, furniture, and fixtures	63,352	53,197	92,338	98,235	155,690	151,432
Distribution system			1,931,526	1,958,403	1,931,526	1,958,403
Total assets	\$ 1,769,356	\$ 1,827,953	\$ 2,364,162	\$ 2,420,977	\$ 4,133,518	\$ 4,248,930

This year's major additions included:

Equipment, furniture, and fixtures	\$ 13,576	\$
Construction in progress		198,788
Distribution system		24,650
	\$ 13,576	\$ 223,438

More detailed information about the capital assets are presented in Note 9 to the financial statements.

DEBT ADMINISTRATION

Long-term liabilities of the Town of Plain Dealing at year end are as follows:

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Net pension liability						
MPERS	\$ 164,710	\$ 290,263	\$	\$	\$ 164,710	\$ 290,263
Finance purchase			213,427	233,780	213,427	233,780
Totals	\$ 164,710	\$ 290,263	\$ 213,427	\$ 233,780	\$ 378,137	\$ 524,043

More detailed information about the long-term liabilities is presented in Notes 12 and 18 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Town's management considered many factors when setting a fiscal year December 31, 2026 budget. Amounts available for appropriation in the governmental funds are expected to remain substantially the same. Expenditures for 2026 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 and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town of Plain Dealing.

Town of Plain Dealing
Plain Dealing, Louisiana
Statement of Net Position
December 31, 2025

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 523,118	\$ 339,883	\$ 863,001
Investments	706,797	106,272	813,069
Receivables	212,300	95,724	308,024
Prepaid expenses		18	18
Other assets	6,094		6,094
Restricted assets:			
Cash and cash equivalents		133,647	133,647
Capital assets			
Depreciable (net)	1,281,075	2,038,260	3,319,335
Non-depreciable	488,281	325,902	814,183
Internal balances	232,356	(232,356)	
Total assets	<u>3,450,021</u>	<u>2,807,350</u>	<u>6,257,371</u>
Deferred outflows of resources - pension related	<u>51,519</u>		<u>51,519</u>
Liabilities			
Accounts payable and accrued expenses	35,100	184,439	219,539
Payable from restricted assets:			
Customer deposits		122,970	122,970
Non-current liabilities:			
Due within one year		21,572	21,572
Due in more than one year	164,710	191,855	356,565
Total liabilities	<u>199,810</u>	<u>520,836</u>	<u>720,646</u>
Deferred inflows of resources			
Unavailable revenue			
Ad valorem taxes	47,486		47,486
Leases	31,584		31,584
Pension related	77,687		77,687
Total Deferred Inflows of Resources	<u>156,757</u>		<u>156,757</u>
Net Position			
Net investment in capital assets	1,769,356	2,116,767	3,886,123
Unrestricted	1,375,617	169,747	1,545,364
Total net position	<u>\$ 3,144,973</u>	<u>\$ 2,286,514</u>	<u>\$ 5,431,487</u>

The accompanying notes are an integral part of this statement.

Town of Plain Dealing
Plain Dealing, Louisiana
Statement of Activities
For the Year Ended December 31, 2025

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions / Programs:							
Governmental Activities							
General government	\$ 406,693	\$ 64,534	\$ 10,024	\$	\$ (332,135)	\$	\$ (332,135)
Economic development	351,525				(351,525)		(351,525)
Public safety	419,976	86,647		26,034	(307,295)		(307,295)
Streets and sanitation	290,053	167,908			(122,145)		(122,145)
Total governmental activities	1,468,247	319,089	10,024	26,034	(1,113,100)		(1,113,100)
Business-type Activities							
Water	445,452	481,873				36,421	36,421
Sewer	390,921	335,191				(55,730)	(55,730)
Cemetery	2,144	750				(1,394)	(1,394)
Total business-type activities	838,517	817,814				(20,703)	(20,703)
Total Government	<u>\$ 2,306,764</u>	<u>\$ 1,136,903</u>	<u>\$ 10,024</u>	<u>\$ 26,034</u>	<u>(1,113,100)</u>	<u>(20,703)</u>	<u>(1,133,803)</u>
General revenues:							
Ad valorem taxes					40,267		40,267
Sales taxes					663,941		663,941
Franchise taxes					26,280		26,280
Gaming taxes					223,245		223,245
Other taxes					1,926		1,926
Investment earnings					15,133	842	15,975
Miscellaneous					12,503		12,503
Loss on disposal						(96,313)	(96,313)
Transfers					(131,915)	131,915	
Total general revenues					<u>851,380</u>	<u>36,444</u>	<u>887,824</u>
Change in net position					(261,720)	15,741	(245,979)
Net position - beginning					3,406,693	2,270,773	5,677,466
Net position - ending					<u>\$ 3,144,973</u>	<u>\$ 2,286,514</u>	<u>\$ 5,431,487</u>

The accompanying notes are an integral part of this statement.

Town of Plain Dealing
Plain Dealing, Louisiana
Balance Sheet
Governmental Funds
December 31, 2025

	General	Capital Projects Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 334,564	\$ 188,554	\$ 523,118
Investments	706,797		706,797
Receivables	212,300		212,300
Due from other funds	392,754	41,106	433,860
Other assets	6,094		6,094
Total assets	<u><u>\$ 1,652,509</u></u>	<u><u>\$ 229,660</u></u>	<u><u>\$ 1,882,169</u></u>
Liabilities and Fund balances			
Liabilities			
Accounts payable and accrued expenses	\$ 35,100	\$	\$ 35,100
Due to other funds	20,194	181,310	201,504
Total liabilities	<u><u>55,294</u></u>	<u><u>181,310</u></u>	<u><u>236,604</u></u>
Deferred inflows of resources			
Unavailable revenue			
Ad Valorem taxes	47,486		47,486
Leases	31,584		31,584
Total deferred inflows of resources	<u><u>79,070</u></u>	<u><u></u></u>	<u><u>79,070</u></u>
Fund balances			
Assigned			
Industrial development	716,834		716,834
Capital projects		48,350	48,350
Medical Clinic	106,257		106,257
Unassigned	695,054		695,054
Total fund balances	<u><u>1,518,145</u></u>	<u><u>48,350</u></u>	<u><u>1,566,495</u></u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 1,652,509</u></u>	<u><u>\$ 229,660</u></u>	<u><u>\$ 1,882,169</u></u>

The accompanying notes are an integral part of this statement.

Town of Plain Dealing
Plain Dealing, Louisiana
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2025

Fund balances - total governmental funds	\$ 1,566,495
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,769,356
Other long-term assets and other amounts are not available to pay for current-period expenditures and therefore are unavailable in the funds.	
Deferred outflows - pension related	51,519
Long-term liabilities and other amounts, including compensated absences payable and net pension liability, are not due and payable in the current period and therefore are not reported in the funds.	
Net pension liability	(164,710)
Deferred inflows - pension related	(77,687)
Net position of governmental activities	<u><u>\$ 3,144,973</u></u>

The accompanying notes are an integral part of this statement.

Town of Plain Dealing
Plain Dealing, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2025

	General	Capital Projects Fund	Total Governmental Funds
Revenues:			
Ad valorem taxes	\$ 40,267	\$	\$ 40,267
Sales tax	663,941		663,941
Franchise taxes	26,280		26,280
Gaming taxes	223,245		223,245
Intergovernmental	30,911		30,911
Licenses and permits	54,292		54,292
Fines and forfeitures	86,647		86,647
Investment earnings	15,133		15,133
Charges for services	167,908		167,908
Rent	10,242		10,242
Miscellaneous	8,945	4	8,949
Total revenues	<u>1,327,811</u>	<u>4</u>	<u>1,327,815</u>
Expenditures:			
Current:			
General government	368,639		368,639
Economic development	351,525		351,525
Public safety	437,381		437,381
Streets and sanitation	254,125		254,125
Capital outlay	10,023		10,023
Total expenditures	<u>1,421,693</u>		<u>1,421,693</u>
Excess (deficiency) of revenues over (under) expenditures	(93,882)	4	(93,878)
Other financing sources (uses):			
Transfers out	(131,915)		(131,915)
Total other financing sources (uses)	<u>(131,915)</u>		<u>(131,915)</u>
Net change in fund balances	(225,797)	4	(225,793)
Fund balances at beginning of year	<u>1,743,942</u>	<u>48,346</u>	<u>1,792,288</u>
Fund balances at end of year	<u>\$ 1,518,145</u>	<u>\$ 48,350</u>	<u>\$ 1,566,495</u>

The accompanying notes are an integral part of this statement.

Town of Plain Dealing
Plain Dealing, Louisiana
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2025

Net change in fund balances - total governmental funds	\$	(225,793)
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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 depreciation (\$72,173) exceeded capital outlays (\$10,023) in the current period.		(62,150)
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The net effect of various transactions involving capital assets (sales, trade-ins, donated infrastructure, etc.) is to increase net assets.

Donation of capital assets		3,553
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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.		(7,073)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Non-employer contributions to cost-sharing pension plan		7,074
---	--	-------

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		22,669
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Change in net position of governmental activities	\$	(261,720)
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The accompanying notes are an integral part of this statement.

Town of Plain Dealing
Plain Dealing, Louisiana
Statement of Net Position
Proprietary Funds
December 31, 2025

	Business-type Activities - Enterprise Funds			Totals
	Water Fund	Sewer Fund	Non-Major Fund Cemetery Fund	
Assets				
Current assets:				
Cash and cash equivalents	\$ 284,689	\$ 50,794	\$ 4,400	\$ 339,883
Restricted cash and cash equivalents	133,647			133,647
Investments			106,272	106,272
Receivables	54,680	40,956	88	95,724
Prepaid expenses			18	18
Due from other funds	93,980	224,466		318,446
Total current assets	<u>566,996</u>	<u>316,216</u>	<u>110,778</u>	<u>993,990</u>
Noncurrent assets:				
Capital assets:				
Land	5,078	15,000	10,000	30,078
Construction in process		295,824		295,824
Plant and equipment	2,587,744	3,155,890	29,601	5,773,235
Less: accumulated depreciation	<u>(1,462,271)</u>	<u>(2,261,148)</u>	<u>(11,556)</u>	<u>(3,734,975)</u>
Total noncurrent assets	<u>1,130,551</u>	<u>1,205,566</u>	<u>28,045</u>	<u>2,364,162</u>
Total assets	<u>1,697,547</u>	<u>1,521,782</u>	<u>138,823</u>	<u>3,358,152</u>
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	37,599	146,840		184,439
Due to other funds	372,182	178,620		550,802
Finance purchase, current	21,572			21,572
Payable from restricted assets:				
Customer deposits	122,970			122,970
Total current liabilities	<u>554,323</u>	<u>325,460</u>		<u>879,783</u>
Noncurrent liabilities:				
Finance purchase	191,855			191,855
Total noncurrent liabilities	<u>191,855</u>			<u>191,855</u>
Total liabilities	<u>746,178</u>	<u>325,460</u>		<u>1,071,638</u>
Net position				
Net investment in capital assets	892,475	1,196,247	28,045	2,116,767
Unrestricted	58,894	75	110,778	169,747
Total net position	<u>\$ 951,369</u>	<u>\$ 1,196,322</u>	<u>\$ 138,823</u>	<u>\$ 2,286,514</u>

The accompanying notes are an integral part of this statement.

Town of Plain Dealing
Plain Dealing, Louisiana
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds			
	Water Fund	Sewer Fund	Non-Major Fund Cemetery Fund	Totals
Operating revenues:				
Charges for service -				
Water sales	\$ 478,147	\$	\$	\$ 478,147
Sewerage service charges		333,038		333,038
Lot sales			750	750
Other	3,726	2,153		5,879
Total operating revenues	<u>481,873</u>	<u>335,191</u>	<u>750</u>	<u>817,814</u>
Operating expenses:				
Personnel services	66,138	73,579		139,717
Contractual services	53,860	62,544		116,404
Supplies and materials	29,897	16,899		46,796
Insurance	25,909	21,932		47,841
Repairs and maintenance	89,035	92,375		181,410
Utilities	53,952	7,302		61,254
Travel and training	13,799	375		14,174
Miscellaneous	27,157	10,091		37,248
Depreciation	75,972	105,824	2,144	183,940
Total operating expenses	<u>435,719</u>	<u>390,921</u>	<u>2,144</u>	<u>828,784</u>
Operating income (loss)	<u>46,154</u>	<u>(55,730)</u>	<u>(1,394)</u>	<u>(10,970)</u>
Non-operating revenues (expenses):				
Loss on disposal of assets	(96,313)			(96,313)
Interest income	272	38	532	842
Interest expense	(9,733)			(9,733)
Total non-operating revenues (expenses)	<u>(105,774)</u>	<u>38</u>	<u>532</u>	<u>(105,204)</u>
Change in net position before transfers	(59,620)	(55,692)	(862)	(116,174)
Transfers in		169,691		169,691
Transfers out	<u>(37,776)</u>			<u>(37,776)</u>
Change in net position	(97,396)	113,999	(862)	15,741
Net position - beginning of year	<u>1,048,765</u>	<u>1,082,323</u>	<u>139,685</u>	<u>2,270,773</u>
Net position - end of year	<u>\$ 951,369</u>	<u>\$ 1,196,322</u>	<u>\$ 138,823</u>	<u>\$ 2,286,514</u>

The accompanying notes are an integral part of this statement.

Town of Plain Dealing
Plain Dealing, Louisiana
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds			
	Water Fund	Sewer Fund	Non-Major Fund Cemetery Fund	Totals
Cash Flows From Operating Activities				
Receipts from customers	\$ 484,571	\$ 321,216	\$ 750	\$ 806,537
Other receipts	3,726	2,153		5,879
Cash payments to suppliers for goods and services	(298,185)	(191,347)		(489,532)
Cash payments to employees for services	(63,714)	(73,579)		(137,293)
Net Cash from Operating Activities	126,398	58,443	750	185,591
Cash Flows From Non-Capital Financing Activities				
Transfers from other funds		169,691		169,691
Transfers to other funds	(37,776)			(37,776)
Interfund loans	163,098	(32,732)		130,366
Net Cash from Non-Capital Financing Activities	125,322	136,959		262,281
Cash Flows From Investing Activities				
Sale of investment	31,000			31,000
Purchase of investment			(529)	(529)
Interest income	272	38	532	842
Net Cash from Investing Activities	31,272	38	3	31,313
Cash Flows From Capital and Related Financing Activities				
Payments for property and equipment	(81,138)	(221,556)		(302,694)
Payments on finance purchase	(20,353)			(20,353)
Interest paid on capital debt	(13,254)			(13,254)
Net Cash (Used In) Capital and Related Financing Activities	(114,745)	(221,556)		(336,301)
Net increase (decrease) in cash, cash equivalents, and restricted cash	168,247	(26,116)	753	142,884
Cash, cash equivalents, and restricted cash, beginning of year	250,089	76,910	3,647	330,646
Cash, cash equivalents, and restricted cash, end of year	\$ 418,336	\$ 50,794	\$ 4,400	\$ 473,530
Cash and cash equivalents are reflected on the Statement of Net Position as follows:				
Cash and cash equivalents	\$ 284,689	\$ 50,794	\$ 4,400	\$ 339,883
Restricted cash and cash equivalents	133,647			133,647
	\$ 418,336	\$ 50,794	\$ 4,400	\$ 473,530
Reconciliation of Operating Income to Net Cash Used By Operating Activities:				
Operating income (loss)	\$ 46,154	\$ (55,730)	\$ (1,394)	\$ (10,970)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation expense	75,972	105,824	2,144	183,940
Accounts receivable	(6,365)	(11,822)		(18,187)
Accounts payable and accrued expenses	(2,152)	20,171		18,019
Customer deposits	12,789			12,789
Net Cash Flows From Operating Activities	\$ 126,398	\$ 58,443	\$ 750	\$ 185,591
Non-cash investing and financing transaction:				
Acquisition of property				
Cost of property and equipment	\$ 105,788	\$ 229,874	\$	\$ 335,662
Trade accounts payable	(24,650)	(8,318)		(32,968)
Cash down payment for property and equipment	\$ 81,138	\$ 221,556	\$	\$ 302,694

The accompanying notes are an integral part of this statement.

Town of Plain Dealing
Plain Dealing, Louisiana
Notes to Financial Statements
December 31, 2025

INTRODUCTION

The Town of Plain Dealing operates under a special charter of 1890 pursuant to the authority of Act 49 of 1882. The Town operates under the Mayor-Board of Alderman form of government.

(1) Summary of Significant Accounting Policies

The Town of Plain Dealing'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 Plain Dealing are discussed below.

A. Reporting Entity

As the municipal governing authority, for reporting purposes, the Town of Plain Dealing is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the Town of Plain Dealing), (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 Plain Dealing are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board established criteria for determining which component units should be considered part of the Town of Plain Dealing 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 criteria 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 Plain Dealing
Plain Dealing, Louisiana
Notes to Financial Statements
December 31, 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 Plain Dealing's basic financial statements include both government-wide (reporting the funds maintained by the Town of Plain Dealing as a whole) and fund financial statements (reporting the Town of Plain Dealing'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 and capital outlay fund are classified as governmental activities. The Town's water, sewer, and cemetery 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 Plain Dealing's net position is reported in three parts – 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 Plain Dealing'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, including non-employer contributions to cost-sharing pension plans, 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, sewer, and sanitation services. All revenues and expenses not meeting this definition are classified as non-operating revenues and expenses.

(Continued)

Town of Plain Dealing
Plain Dealing, Louisiana
Notes to Financial Statements
December 31, 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 Plain Dealing as an entity and the change in the Town of Plain Dealing's net position resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Town of Plain Dealing 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, deferred outflows or resources, liabilities, deferred inflows of resources, 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 Plain Dealing:

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 funds of the Town of Plain Dealing:
 - a. General fund is the general operating fund of the Town of Plain Dealing. It is used to account for all financial resources not accounted for and reported in another fund.
 - b. Capital Projects Funds are used to account for financial resources that are restricted, committed, or assigned to expenditures for various capital projects of the Town.
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:
 - 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 Plain Dealing
Plain Dealing, Louisiana
Notes to Financial Statements
December 31, 2025
(Continued)

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

General Fund – accounts for all financial resources not accounted for and reported in another fund.

Capital Projects Fund – accounts for the proceeds of grant revenues received and related expenditures for various capital projects of the Town.

Water Fund – accounts for the provision of water services of the Town.

Sewer Fund – accounts for the provision of 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. Budget and Budgetary Accounting

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

1. The Mayor prepares a proposed budget and submits same to 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.

(Continued)

Town of Plain Dealing
Plain Dealing, Louisiana
Notes to Financial Statements
December 31, 2025
(Continued)

3. A public hearing is held on the proposed budget after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another, or involving increases in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. The budget is adopted on a cash basis for all funds. Budgeted amounts in the accompanying statements are as originally adopted, or as amended by the Board of Aldermen.

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 \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition 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. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	10–40 years
Dams and reservoirs	50 years
Street improvements	20 years
Park improvements	10–20 years
Equipment, furniture, and fixtures	5–20 years
Water and sewer systems	10–50 years

(Continued)

Town of Plain Dealing
Plain Dealing, Louisiana
Notes to Financial Statements
December 31, 2025
(Continued)

GASB requires the Town to report and depreciate new infrastructure assets effective January 1, 2004. Infrastructure assets include roads, bridges, traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is not required.

H. Revenues

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on December 31. The 2025 tax levy is intended to fund the 2026 fiscal year and has been recorded as a receivable and deferred inflow of resources. The Town bills and collects its own property taxes, using the assessed values determined by the tax assessor of Bossier Parish. 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 investment 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. Restricted net position consists of assets that are restricted by 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. All other net position is reported as unrestricted net position. When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Town's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

J. Sales Taxes

In 1975, the Town passed an ordinance establishing a 1% sales tax to be used for general operating purposes, including but not limited to opening, construction, paving, resurfacing, improving and/or maintaining streets, alleys, sidewalks, and bridges; constructing, acquiring, extending, improving, renovating and/or maintaining street lighting facilities, waterworks, sewers and sewerage disposal works, garbage collection and waste disposal facilities, city hall and police department stations and equipment, including fire engines, public parks and recreational facilities, and purchasing and acquiring the necessary land, equipment and furnishings for the aforesaid public works, building, improvements and facilities, or for any one or more of said purposes.

In 1993, the Town passed an ordinance establishing a 1% sales tax for the purpose of acquiring, constructing, and improving industrial parts and industrial buildings along with necessary sites, equipment and furnishings in connection therewith and, further, after making

(Continued)

Town of Plain Dealing
Plain Dealing, Louisiana
Notes to Financial Statements
December 31, 2025
(Continued)

all payments required each month for the principal, interest, and other payments on such bonds, shall the remaining avails or proceeds be allocated monthly and used exclusively for any lawful corporate purpose of the Town including acquiring, constructing, and improving industrial parks and industrial buildings along with any necessary sites, equipment, and furnishings in connection therewith.

In 2003, the Town passed an ordinance establishing a 1/2% sales tax to be used for any lawful corporate purpose of the Town, including the funding of the proceeds of the tax into bonds to be issued from time to time for the purpose of paying the cost of any capital improvements to the extent and in the manner permitted by law.

The Town entered into an agreement with the City of Bossier City, Louisiana for the City of Bossier City, Louisiana to collect and distribute to the Town its two and one-half cent sales and use tax. The City of Bossier City, Louisiana charges a collection fee of 1% of the sales tax collected for these services.

K. Compensated Absences

The Town accrues vacation benefits as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Town will compensate the employees for the benefits through paid time off or some other means.

The Town's policy allows sick leave based upon time worked. Employees may not carryover unused sick leave, and will not be paid for unused sick leave upon separation from employment.

L. Interfund Activity

Interfund activity is reported as either 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.

M. Use of Estimates

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

N. 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 Position.

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Town of Plain Dealing
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Notes to Financial Statements
December 31, 2025
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O. 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. For the years ending December 31, 2025, 2024, and 2023, accounts receivable for the General, Water, and Sewer funds are shown net of an allowance of \$69,922, \$59,054, and \$56,392, respectively.

P. Statement of Cash Flows

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

Q. Postretirement Benefits

The Town provides no postretirement benefits to its employees.

R. Fund Balance

In the governmental fund financial statements, fund balances are classified as follows:

1. Nonspendable - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.
2. Restricted – amounts that can be spent only for specific purpose due to constraints placed on the use of resources that 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 – amounts that can be used only for the specific purpose as a result of constraints imposed by the Town Council (the Town's highest level of decision making authority). Committed amounts cannot be used for any other purpose unless the Town removes those constraints by taking the same type of action (i.e. legislation, resolution, or ordinance).
4. Assigned – amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed.
5. Unassigned – all amounts not included in other spendable classifications.

The Town's policy is to apply expenditures against restricted fund balance and then to other, less-restricted classifications – committed and then assigned fund balances before using unassigned fund balances.

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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 assigned 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.

S. Deferred Inflows / Outflows of Resources

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 *deferred inflows of resources* represents an acquisition of fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Town has three items that meet this definition and qualify for reporting in this category. Accordingly, the items unavailable revenue, leases, and pension-related are reported in the Statement of Net Position.

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 one type of item that meets this definition and qualifies for reporting in this category. Accordingly, the item pension-related is reported in the Statement of Net Position.

T. Pension Plan

The Town is a participating employer in a cost-sharing, multiple-employer, defined benefit pension plans as described in Note 12. 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;

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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.

(2) Levied Taxes

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.

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General	8.35	8.35	N/A

Approximately 39% of the Town's ad valorem tax revenues are derived from 10 taxpayers.

(3) Cash, Cash Equivalents, and Investments

At December 31, 2025, the Town has cash, cash equivalents, and investments (book balances) totaling \$1,809,717 as detailed below:

A. Cash and Cash Equivalents

Cash and cash equivalents at December 31, 2025 (book balances) totaled \$996,648, of which \$133,647 is shown as a restricted asset. 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. Investments

The investments are presented in the financial statements at fair value using level 2 fair value measure. At December 31, 2025, the Town had investments totaling \$813,069, consisting of certificates of deposit with initial maturities greater than 90 days. The certificates of deposits are carried at cost, which approximates market.

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(Continued)

C. Custodial 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 December 31, 2025, \$1,317,248 of the Town's bank balance of \$1,817,248 was exposed to custodial credit risk as follows:

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

Cash and cash equivalents	\$ 754,179
Certificates of deposit	563,069
	<u>\$ 1,317,248</u>

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, 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.

(4) On-behalf Payments

The Town received a total of \$18,960 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.

(5) Restricted Assets – Proprietary Fund Type

Restricted assets consisted of customer deposits in the amount of \$122,970 and deposits held in escrow of \$10,677.

(6) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at December 31, 2025, consisted of the following:

<u>Class of Payable</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts	\$ 22,595	\$ 177,159	\$ 199,754
Payroll liabilities	1,754	117	1,871
Accrued interest		1,042	1,042
Retirement payable	3,160	2,191	5,351
Accrued payroll	7,591	3,930	11,521
Total	<u>\$ 35,100</u>	<u>\$ 184,439</u>	<u>\$ 219,539</u>

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Notes to Financial Statements
December 31, 2025
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(7) Receivables

The following is a summary of receivables at December 31, 2025:

<u>Class of Receivable</u>	
Governmental activities –	
Ad valorem taxes	\$ 9,285
Sales taxes	112,791
Franchise taxes	5,720
Gaming taxes	18,480
Lease	31,584
Garbage	21,613
Grant	10,024
Miscellaneous	<u>2,803</u>
	<u>212,300</u>
Business-type activities –	
Water charges	54,680
Sewer charges	40,956
Other	<u>88</u>
	<u>95,724</u>
Total	<u>\$ 308,024</u>

(8) Interfund Transfers

Interfund transfers for the year ended December 31, 2025 consisted of the following:

	<u>Transfer To</u>	<u>Transfer From</u>	<u>Net</u>
Governmental Funds:			
General fund	\$	\$(131,915)	\$(131,915)
Total Governmental Funds	<u></u>	<u>(131,915)</u>	<u>(131,915)</u>
Enterprise Funds:			
Water		(37,776)	(37,776)
Sewer	<u>169,691</u>		<u>169,691</u>
	<u>169,691</u>	<u>(37,776)</u>	<u>131,915</u>
Total	<u>\$ 169,691</u>	<u>\$(169,691)</u>	<u>\$</u>

Funds were transferred from the General Fund and Water Fund to the Sewer Fund to cover various expenses of the Sewer Fund.

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(9) Capital Assets

Capital asset activity for the year ended December 31, 2025, was as follows:

	Balance at Jan. 1, 2025	Additions	Deletions	Transfers	Balance at Dec. 31, 2025
<u>Governmental Activities:</u>					
Capital assets, not being depreciated:					
Construction in progress	\$	\$	\$	\$	\$
Land	488,281				488,281
Total capital assets, not being depreciated	488,281				488,281
Capital assets, being depreciated:					
Buildings and improvements	697,196				697,196
Dams and reservoirs	989,497				989,497
Street improvements	1,159,336				1,159,336
Park improvements	140,843				140,843
Equipment, furniture, fixtures	697,307	13,576	(41,615)		669,268
Total capital assets, being depreciated, at historical cost	3,684,179	13,576	(41,615)		3,656,140
Less accumulated depreciation:					
Buildings and improvements	(515,210)	(9,660)			(524,870)
Dams and reservoirs	(302,301)	(23,164)			(325,465)
Street improvements	(742,043)	(35,928)			(777,971)
Park improvements	(140,843)				(140,843)
Equipment, furniture, fixtures	(644,110)	(3,421)	41,615		(605,916)
Total accumulated depreciation	(2,344,507)	(72,173)	41,615		(2,375,065)
Total capital assets, being depreciated, net	1,339,672	(58,597)			1,281,075
Governmental activities capital assets, net	\$ 1,827,953	\$ (58,597)	\$	\$	\$ 1,769,356

Included in current year additions above is a donated vehicle in the amount of \$3,553.

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	Balance at Jan. 1, 2025	Additions	Deletions	Transfers	Balance at Dec. 31, 2025
<u>Business-Type Activities:</u>					
Capital assets, not being depreciated:					
Land	\$ 30,078	\$	\$	\$	\$ 30,078
Construction in process	318,885	198,788		(221,849)	295,824
Total capital assets, not being depreciated, at historical cost	<u>348,963</u>	<u>198,788</u>		<u>(221,849)</u>	<u>325,902</u>
Capital assets, being depreciated:					
Buildings and improvements	31,703				31,703
Equipment, furniture, fixtures	232,514		(793)		231,721
Distribution system	5,654,363	24,650	(391,052)	221,849	5,509,810
Total capital assets, being depreciated, at historical cost	<u>5,918,580</u>	<u>24,650</u>	<u>(391,845)</u>	<u>221,849</u>	<u>5,773,234</u>
Less accumulated depreciation:					
Buildings and improvements	(16,327)	(980)			(17,307)
Equipment, furniture, fixtures	(134,279)	(5,897)	793		(139,383)
Distribution system	(3,695,960)	(177,063)	294,739		(3,578,284)
Total accumulated depreciation	<u>(3,846,566)</u>	<u>(183,940)</u>	<u>295,532</u>		<u>(3,734,974)</u>
Total capital assets, being depreciated, net	<u>2,072,014</u>	<u>(159,290)</u>	<u>(96,313)</u>	<u>221,849</u>	<u>2,038,260</u>
Business-type activities capital assets, net	<u>\$ 2,420,977</u>	<u>\$ 39,498</u>	<u>\$ (96,313)</u>	<u>\$</u>	<u>\$ 2,364,162</u>

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

	Governmental Activities	Business-type Activities
General government	\$ 30,981	\$
Public safety	5,264	
Streets	35,928	
Water		75,972
Sewer		105,824
Cemetery		2,144
Total	<u>\$ 72,173</u>	<u>\$ 183,940</u>

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Notes to Financial Statements
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(10) Customers' Deposits

Deposits held for customers that are currently active on the water system total \$122,970 at December 31, 2025.

(11) Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town.

(12) Pension Plan

Certain employees of the Town are members of the Municipal Police Employees Retirement System (police department employees).

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM

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. The System provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. 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 three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service

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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 forty to sixty percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen 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. Under both sub plans, 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 from age 55. Under the Hazardous and Non Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, 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 statutes, the benefits range from twenty-five to fifty-five percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives ten percent of average final compensation or \$200 per month whichever is greater. If deceased member had less than ten 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.

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. Upon filing for the program, the employee's active membership in the System is terminated. 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 thirty six months or less. If employment is terminated after the three-year 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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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 of 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.

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, 2025, total contributions due from employers and employees was 45.600%. 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 35.600% and 10%, respectively. The employer and employee contribution rates for all Non-Hazardous Duty members hired after January 1, 2013 were 35.600% and 8%, respectively. The employer and employee contribution rates for all members whose earnable compensation is less than or equal to the poverty guidelines issued by the United States Department of Health and Human Services were 38.100% and 7.5%, respectively. The Town contributions to the System for the years ended December 31, 2025, 2024, and 2023 were \$35,838, \$32,459, and \$36,625, respectively. Included in employer contributions for the year ended December 31, 2025, are contributions for the month of December 2025 which were remitted in 2026 in the amount of \$3,160.

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 \$7,074 are recognized as revenue during the year ended December 31, 2025 and excluded from pension expense.

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

At December 31, 2025, the Town reported a liability of \$164,710 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, 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, 2025, as compared to the total of all employers' contributions to the System for the year ended June 30, 2025. At June 30, 2025, the Town's proportion was .023850%, which was a decrease of .008188% from its proportion measured as of June 30, 2024.

For the year ended December 31, 2025, the Town recognized pension expense of \$13,228, plus employer's amortization of change in proportionate share and the difference between employer contributions and proportionate share of contributions, \$473.

At December 31, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Governmental Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 7,986	\$ 4,358
Changes of assumptions		7,565
Net difference between projected and actual earnings on pension plan investments		12,974
Changes in proportion and differences between employer contributions and proportionate share of contributions	24,784	52,790
Employer contributions subsequent to the measurement date	18,749	
Total	<u>\$ 51,519</u>	<u>\$ 77,687</u>

The Town reported a total of \$18,749 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2025, which will be recognized as a reduction in net pension liability in the year ended December 31, 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:

<u>Year</u>	<u>Amount</u>
2026	\$ 11,638
2027	(22,567)
2028	(28,551)
2029	(5,437)
Total	<u>\$ (44,917)</u>

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Actuarial Methods and Assumptions

The actuarial assumptions used in the June 30, 2025 valuation were based on the assumptions used in the June 30, 2025 actuarial funding valuation, and were based on the results of an actuarial experience study for the period July 1, 2014 – 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, 2025 are as follows:

Valuation Date	June 30, 2025	
Actuarial Cost Method	Entry Age Normal Cost	
Investment Rate of Return	6.750%, net of investment expense	
Expected Remaining Service Lives	4 years	
Inflation Rate	2.5%	
	<u>Years of Service</u>	<u>Salary Growth Rate</u>
Salary increases, including inflation and merit	1 – 2	13.00%
	Above 2	4.75%
Mortality	For active members, the Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Employees was used multiplied by 125% for males and 125% for females, each with full generational projection using the MP2021 scale. For annuitants and beneficiaries, the Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees was used multiplied by 125% for males and 125% for females, each with full generational projection using the MP2021 scale. For disabled retirees, the Pub-2016 Public Retirement Plans Mortality Table Total Dataset for Safety Disabled Retirees was used multiplied by 125% for males and 125% for females, each with full generational projection using the MP2021 scale.	
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.	

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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 8.12% for the year ended June 30, 2025.

Best estimates of arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2025 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	51.00%	3.20%
Fixed income	35.00%	1.21%
Alternatives	<u>14.00%</u>	<u>1.04%</u>
Totals	<u>100%</u>	<u>5.45%</u>
Inflation		<u>2.67%</u>
Expected Arithmetic Nominal Return		<u>8.12%</u>

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

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 as of June 30, 2025.

	<u>Changes in Discount Rate</u>		
	<u>1% Decrease 5.75%</u>	<u>Current Discount Rate 6.75%</u>	<u>1% Increase 7.75%</u>
Net Pension Liability	\$ 270,181	\$ 164,710	\$ 76,383

(Continued)

Town of Plain Dealing
Plain Dealing, Louisiana
Notes to Financial Statements
December 31, 2025
(Continued)

Change in Net Pension Liability

The changes in the net pension liability for the year ended December 31, 2025 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 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 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 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 a 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 are provided with a pension through the pension plan. The resulting deferred inflow/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 mounts.

(Continued)

Town of Plain Dealing
Plain Dealing, Louisiana
Notes to Financial Statements
December 31, 2025
(Continued)

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, 2025. Access to these reports can be found on the Louisiana Legislative Auditor's website, www.lila.la.gov.

(13) Interfund Balances

Interfund balances at December 31, 2025 consisted of the following:

	Due From Other Fund	Due To Other Fund	Net
Governmental Funds:			
General fund	\$ 392,754	\$(20,194)	\$ 372,560
Capital Outlay	41,106	(181,310)	(140,204)
Total Governmental Funds	<u>433,860</u>	<u>(201,504)</u>	<u>232,356</u>
Enterprise Funds:			
Major fund			
Water	93,980	(372,182)	(278,202)
Sewer	224,466	(178,620)	45,846
Total Enterprise Funds	<u>318,446</u>	<u>(550,802)</u>	<u>(232,356)</u>
Total	<u>\$ 752,306</u>	<u>\$(752,306)</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.

(14) Subsequent events

Subsequent events have been evaluated through June 23, 2026, the date the financial statements were available to be issued.

(15) Deferred Compensation Plan

Certain employees of the Town participate in a 457 Deferred Compensation Plan. The amounts contributed by the Town during the years ended December 31, 2025, 2024, and 2023 were \$96, \$100, and \$104 respectively.

(Continued)

Town of Plain Dealing
Plain Dealing, Louisiana
Notes to Financial Statements
December 31, 2025
(Continued)

(16) Commitments

The Town has commitments for signed engineering and construction contracts of approximately \$2,121,535, for a wastewater treatment plant improvement project. As of December 31, 2025, approximately \$300,824 had been incurred on these contracts, with the balance remaining on these contracts of approximately \$1,820,711 to be incurred subsequent to December 31, 2025. A portion of the funding for this project is expected to come from a LCDBG grant in the amount of \$1,729,035.

(17) Leases

The Town, as a lessor, has entered into lease agreements involving real estate and facilities owned by the Town. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows, recognized during the year ended December 31, 2025 was \$5,437.

The future inflow of resources for the years subsequent to December 31, 2025, under existing lease agreements are as follows:

<u>Fiscal Year</u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 5,526	\$ 474	\$ 6,000
2027	5,709	291	6,000
2028	5,709	291	6,000
2029	5,803	197	6,000
2030	5,898	102	6,000
2031	2,939	105	3,044
	<u>\$ 31,584</u>	<u>\$ 1,460</u>	<u>\$ 33,044</u>

(Continued)

Town of Plain Dealing
Plain Dealing, Louisiana
Notes to Financial Statements
December 31, 2025
(Continued)

(18) Long-Term Liabilities

Long-term liability activity for the year ended December 31, 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					
Liability-MPERS	\$ 290,263	\$	\$(125,553)	\$ 164,710	\$
Total long-term liabilities, governmental activities	<u>\$ 290,263</u>	<u>\$</u>	<u>\$(125,553)</u>	<u>\$ 164,710</u>	<u>\$</u>
Business-type Activities:					
Other long-term					
Finance purchase	\$ 233,780	\$	\$(20,353)	\$ 213,427	\$ 21,572
Total long-term liabilities, Business-type activities	<u>\$ 233,780</u>	<u>\$</u>	<u>\$(20,353)</u>	<u>\$ 213,427</u>	<u>\$ 21,572</u>

Business-type Activities – Finance Purchase Lease

The Town entered into a Louisiana Municipal Lease-Purchase Agreement for financing automated meter reading system. The gross amount of assets recorded under this finance purchase lease as of December 31, 2025, was \$246,499. Accumulated depreciation as of December 31, 2025, was 1,369. The lease agreement qualifies as a finance purchase lease for accounting purposes, and therefore has been recorded at the present value of their future minimum lease payments as of the inception date. The lease was dated August 22, 2023, for \$249,331, and is due in quarterly installments of \$8,402.33 through November 22, 2033.

The future minimum lease obligation and net present value of the minimum lease payments as of December 31, 2025, were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 21,572	\$ 12,037
2027	22,864	10,745
2028	24,233	9,376
2029	25,685	7,924
2030	27,223	6,386
2031-2033	91,850	23,289
	<u>\$ 213,427</u>	<u>\$ 69,757</u>

Town of Plain Dealing
Plain Dealing, Louisiana
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 25,000	\$ 25,000	\$ 62,284	\$ 37,284
Franchise taxes	23,000	23,000	25,513	2,513
Gaming taxes	176,000	125,000	225,985	100,985
Intergovernmental	12,000	17,700	20,887	3,187
Licenses and permits	61,600	58,200	54,292	(3,908)
Fines and forfeitures	58,000	58,000	86,647	28,647
Investment earnings	10,400	5,150	5,581	431
Charge for services	165,000	165,000	167,251	2,251
Rental of facilities	10,600	10,600	10,242	(358)
Miscellaneous	387	387	8,943	8,556
Total revenues	541,987	488,037	667,625	179,588
Expenditures:				
Current:				
General government	332,170	478,824	383,772	95,052
Public safety	418,339	468,442	433,116	35,326
Streets and sanitation	260,877	261,927	253,581	8,346
Total expenditures	1,011,386	1,209,193	1,070,469	138,724
Excess (deficiency) of revenues over (under) expenditures	(469,399)	(721,156)	(402,844)	318,312
Other financing sources:				
Transfers in	475,000	581,000	556,859	(24,141)
Transfer out		(32,000)	(32,358)	(358)
Total other financing sources	475,000	549,000	524,501	(24,499)
Excess of revenues and other sources over expenditures and other uses	5,601	(172,156)	121,657	293,813
Fund balances at beginning of year	100,000	300,000	422,662	122,662
Fund balances at end of year	\$ 105,601	\$ 127,844	\$ 544,319	\$ 416,475

Town of Plain Dealing
Plain Dealing, Louisiana
Note to Required Supplementary Information
For The Year Ended December 31, 2025

The Town's budget is adopted on a cash basis. There was one amendment to the 2025 budget. Budget comparison statements included in the accompanying financial statements include the original and adopted budgets and all amendments. The schedule below reconciles excess (deficiency) of revenues and other sources over expenditures and other uses on the budget basis with GAAP basis. For GAAP basis financial reporting, the General fund includes activities of the Sales Tax and Industrial Development funds, as those funds do not meet the criteria to be classified as special revenue funds.

	<u>General Fund</u>
Excess of revenues and other sources over expenditures and other uses (budget basis)	\$ 121,657
Adjustments:	
Revenue accruals – net	(13,310)
Expenditure accruals – net	6,702
Revenues, transfers, and Other financing sources:	
Sales Tax	664,022
Industrial development	9,472
Expenditures, transfers, and Other financing uses:	
Sales Tax	(601,143)
Industrial development	<u>(413,197)</u>
Excess of revenues and other sources over expenditures and other uses (GAAP) basis	<u>\$ (225,797)</u>

Town of Plain Dealing
Plain Dealing, Louisiana
Schedule of Proportionate Share of Net Pension Liability
For the Year Ended December 31, 2025

Municipal Police Employees Retirement System of Louisiana

<u>Year Ended June 30</u>	<u>Proportion of the net pension liability</u>	<u>Proportionate share of the net pension liability</u>	<u>Covered-employee payroll</u>	<u>Proportionate share of the net pension liability as a percentage of its covered-employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2025	0.02385%	\$ 164,710	\$ 89,409	184.22%	81.94%
2024	0.03204%	290,263	112,940	257.01%	75.84%
2023	0.02756%	291,149	93,356	311.87%	71.30%
2022	0.02475%	252,968	76,399	331.11%	70.80%
2021	0.02481%	132,235	76,471	172.92%	84.09%
2020	0.02449%	226,335	75,641	299.22%	70.94%
2019	0.01755%	159,420	54,819	290.81%	71.01%
2018	0.01503%	127,065	44,353	286.49%	71.89%
2017	0.01252%	133,113	44,353	300.12%	70.08%
2016	0.01570%	147,144	43,977	334.59%	66.04%

Town of Plain Dealing
Plain Dealing, Louisiana
Schedule of Contributions
For The Year Ended December 31, 2025

Municipal Police Employees Retirement System of Louisiana

<u>Year Ended December 31</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in relation to the statutorily required contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered-employee payroll</u>	<u>Contributions as a percentage of covered-employee payroll</u>
2025	\$ 35,838	\$ 35,838	\$	\$ 104,013	34.46%
2024	32,459	32,459		93,633	34.67%
2023	36,625	36,625		112,003	32.70%
2022	24,348	24,348		79,721	30.54%
2021	23,970	23,970		75,496	31.75%
2020	24,583	24,583		75,641	32.50%
2019	17,679	17,679		54,819	32.25%
2018	13,639	13,639		44,353	30.75%
2017	14,082	14,082		44,353	31.75%
2016	12,973	12,973		43,977	29.50%

*Amounts presented were determined as of the end of the fiscal year (December 31).

Town of Plain Dealing
 Plain Dealing, Louisiana
 Schedule of Compensation Paid to Board Members
 For the Year Ended December 31, 2025

Mayor -		
James Cook	\$	18,300
Aldermen:		
Emily Jennings		1,500
Jeff Benson		1,500
Judy McGuffey		50
Louis Welch		1,450
Shanita Gay		1,500
Shavonda Gay		1,250
Sheila Player		250
	\$	25,800

Town of Plain Dealing
Plain Dealing, Louisiana
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2025

Agency Head: James Cook, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 18,300

Town of Plain Dealing
Justice System Funding Schedule - Collecting/Disbursing Schedule

Cash Basis Presentation

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

	Amount for 01/01/2025 - 06/30/2025	Amount for 07/01/2025 - 12/31/2025
1. Beginning Cash Balance	-	-
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	814	1,179
g. Criminal Fines – Contempt	-	-
h. Criminal Fines – Other/Non-Contempt	50,116	30,895
i. Restitution	-	-
j. Probation/Parole/Supervision Fees	-	-
k. Service Fees	-	-
l. Collection Fees	-	-
m. Interest Earnings on Collected Balances	-	-
n. Other	-	-
Total Collected	50,930	32,074
3. Deductions: Collections Retained by the Town of Plain Dealing		
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	-	-
g. Criminal Fines – Contempt	-	-
h. Criminal Fines – Other/Non-Contempt	50,116	30,895
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 Plain Dealing	50,116	30,895
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	814	1,179
6. Total Amounts Disbursed/Retained	50,930	32,074
7. Ending Cash Balance	-	-
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 Plain Dealing

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 01/01/2025 - 06/30/2025	Amount for 07/01/2025 - 12/31/2025
Louisiana Department of Health	§2633. Traumatic Head and Spinal Cord Injury Trust Fund	R.S. 46:2633	f. Criminal Court Costs/Fees	395	620
Criminalistics Laboratory North Louisiana	§2266.1.1. Fees and costs of court	R.S. 40:2266.1.1	f. Criminal Court Costs/Fees	150	60
Department of the Treasury	Art. 887. Defendant's liability for costs; suspension of costs; no advance costs	CCRP 887 (F)(1)	f. Criminal Court Costs/Fees	179	222
Supreme Court	§86. Judicial College; education account; sources of funds	R.S. 13:86	f. Criminal Court Costs/Fees	90	168
LA Commission on Law Enforcement and Administration of Criminal Justice	§1816. Crime Victims Reparations Fund; creation; sources and use of funds	R.S. 46:1816(D)	f. Criminal Court Costs/Fees	-	109

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CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
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 Auditor's Report

The Honorable James Cook, Mayor
and Members of the Town Council
Town of Plain Dealing
Plain Dealing, Louisiana

We have audited, in accordance with the 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, each major fund, and the aggregate remaining fund information of the Town of Plain Dealing, Louisiana, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Town of Plain Dealing's basic financial statements, and have issued our report thereon dated June 23, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Plain Dealing'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 Plain Dealing's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Plain Dealing'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 internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Summary Schedule of Current Year Audit Findings, as item 2025-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

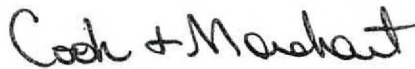
As part of obtaining reasonable assurance about whether the Town of Plain Dealing's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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 Plain Dealing's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Plain Dealing's response to the findings identified in our audit and described in the accompanying schedule of current year audit findings. Town of Plain Dealing'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, LLC
June 23, 2026

Town of Plain Dealing
Plain Dealing, Louisiana
Summary Schedule of Prior Year Audit Findings
Schedule For Louisiana Legislative Auditor
December 31, 2025

There were four findings for the prior year ended December 31, 2024.

2024-001 Material Weakness – Accounts Receivable / Cash Receipts

Material Weakness: Accounts receivable and customer deposit liability per the Town's subsidiary billing software for the Water and Sewer funds were not reconciled to the general ledger during the year. Billing adjustments per the subsidiary billing software were also not reviewed by someone independent of the collection process to ensure all adjustments entered were properly approved. Furthermore, there was not a complete monitoring of cash receipts documentation during the year by someone independent of the collection process.

Recommendation: We recommend that accounts receivable, customer deposits, and billing adjustments per the Town's subsidiary billing software for the Water and Sewer funds should be reconciled to the general ledger during the year by someone independent of the collection process. We further recommend a monitoring of cash receipts documentation by someone independent of the collection process.

Current Status: See material weakness in current year audit.

2024-002 Finding – Fines

Finding: During the year ended December 31, 2024, we noted that the portion of fines/court costs collected by the Town which was due to other agencies was not being remitted to those agencies.

Recommendation: We recommend that the Town review the various Louisiana revised statutes and determine the correct amounts to be remitted to various other agencies and remit those amounts on a monthly basis.

Current Status: See finding in current year audit.

2024-003 Significant Deficiency – Travel and Credit Card Payments

Significant Deficiency: During our audit, we noted that the Town was not consistently following its travel policy with regards to per diem and meal reimbursements.

Recommendation: We recommend that travel payments be made in accordance with the Town's travel policy.

Current Status: Improvement noted.

Town of Plain Dealing
Plain Dealing, Louisiana
Summary Schedule of Prior Year Audit Findings
Schedule for Louisiana Legislative Auditor
December 31, 2025
(Continued)

2024-004 Finding - Budget

Finding: The Town's budget was not adopted timely, in accordance with the Local Government Budget Act. The Town adopted its budget for 2024 in May, 2024. In addition, the Town was unable to provide documentation for the advertisement for the public hearing on the budget.

Recommendation: We recommend that the Town implement procedures for ensuring compliance with the Local Government Budget Act in the future.

Current Status: See finding in current year audit.

Town of Plain Dealing
Plain Dealing, Louisiana
Summary Schedule of Current Year Audit Findings
Schedule for Louisiana Legislative Auditor
December 31, 2025

There are three findings for the current year audit for the year ended December 31, 2025.

2025-001 Material Weakness – Accounts Receivable / Cash Receipts

Material Weakness: Accounts receivable and customer deposit liability per the Town's subsidiary billing software for the Water and Sewer funds were not reconciled to the general ledger during the year. In addition, there was not a complete monitoring of cash receipts documentation during the year by someone independent of the collection process.

Criteria: Internal controls should be in place to include a reconciliation of cash receipts for the Town's governmental and utility funds to the general ledgers during the year. Such reconciliation should include a review and reconciliation of receipts and adjustments per the Town's subsidiary billing software to the general ledgers. Controls should also include a review of cash receipts documentation by someone independent of the collection process.

Cause: Procedures were not in place to include a monitoring of cash receipts-daily by someone independent of the collection process. Accounts receivable are not being recorded on the Town's general ledgers when billed.

Effect: Without a proper monitoring and reconciliation of cash receipts to general ledgers/subsidiary documentation, material misstatements could occur and not be detected.

Recommendation: We recommend that accounts receivable and customer deposits per the Town's subsidiary billing software for the Water and Sewer funds be reconciled to the general ledger during the year by someone independent of the collection process. We further recommend a monitoring of cash receipts documentation by someone independent of the collection process.

View of Responsible Officials and Planned Corrective Action: The Town will consider implementing procedures for ensuring that accounts receivable and customer deposits per the Town's subsidiary billing software for the Water and Sewer funds are reconciled to the general ledger during the year by someone independent of the collection process. The Town will also ensure that someone independent of the collection process reviews and physically approves cash receipts.

2025-002 Finding – Fines

Finding: During the year ended December 31, 2025, we noted that the portion of fines/court costs collected by the Town which was due to other agencies was not always being remitted to those agencies. Amounts which were remitted were not reconciled to underlying subsidiary reports to ensure all amounts due were remitted.

Criteria: Various Louisiana revised statutes specify the portion of fines collected which are due to other agencies.

Cause: The Town began remitting amounts to other agencies during the year. However, amounts were not remitted consistently, and amounts remitted were not reconciled to underlying subsidiary reports to ensure all amounts due were remitted.

(Continued)

Town of Plain Dealing
Plain Dealing, Louisiana
Summary Schedule of Prior Year Audit Findings
Schedule for Louisiana Legislative Auditor
December 31, 2025
(Continued)

Effect: Portions of fines/court costs received by the Town were not consistently remitted to other agencies, as required by various Louisiana revised statutes.

Recommendation: We recommend that the Town review the various Louisiana revised statutes and determine the correct amounts to be remitted to various other agencies and remit those amounts on a monthly basis. We also recommend a review/reconciliation of amounts due to the subsidiary software.

View of Responsible Officials and Planned Corrective Action: The Town will review the various Louisiana revised statutes and determine the correct amounts to be remitted to various other agencies and will begin remitting those amounts on a monthly basis. The Town will also include a reconciliation of those amounts with the subsidiary software on a monthly basis.

2025-003 Finding - Budget

Finding: The Town's budget was not adopted timely, in accordance with the Local Government Budget Act. The Town adopted its budget for 2025 in April, 2025. In addition, the Town was unable to provide documentation for the advertisement for the public hearing on the budget.

Criteria: Internal controls should be in place for ensuring that the Town's budget be adopted timely in accordance with the Local Government Budget Act.

Cause: Controls were not in place to ensure that the Town's budget was adopted timely in accordance with the Local Government Budget Act.

Effect: The Town was not in compliance with the Local Government Budget Act for adoption of the budget for the year ended December 31, 2025.

Recommendation: We recommend that the Town implement procedures for ensuring compliance with the Local Government Budget Act in the future.

View of Responsible Officials and Planned Corrective Action: The Town will implement procedures for ensuring that the Town's budget is adopted timely and in accordance with the Local Government Budget Act.

**COOK & MOREHART,
Certified Public Accountants, LLC**

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CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountants' Report on
Applying Agreed-Upon Procedures

To the Board of Alderman
Town of Plain Dealing
Plain Dealing, 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 January 1, 2025 through December 31, 2025. The Town of Plain Dealing's management is responsible for those C/C areas identified in the SAUPs.

The Town of Plain Dealing 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 January 1, 2025 through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - iii. **Disbursements**, including processing, reviewing, and approving.
 - iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff

procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

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

Procedures performed. Noted the following exception:

Exception: The Town's policies and procedures do not include policies for Budgeting, Purchasing, Disbursements, Receipt/Collections, Payroll/Personnel, Contracting, Ethics, Debt Service, IT and Disaster Recovery, and Prevention of Sexual Harassment.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-

actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget- to- actual comparisons, 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. No exceptions noted

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Procedures performed. Noted the following exceptions:

Exception: The bank reconciliations selected for testing were approved by an employee that also posts transactions to ledgers. Bank reconciliations are performed by the Town's contract accountant.

Exception: There were eight items totaling \$6,849.52, on the bank reconciliations selected for testing that were more than 12 months outstanding.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then

inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

- i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

Procedures performed. Noted the following exception:

Exception: There is no documented review/reconciliation of collections by someone independent of the collection process.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Procedures performed. Noted the following exceptions:

Exception: The employee responsible for processing payments is also responsible for adding/modifying vendor files.

Exception: The employee responsible for processing payments also mails the payments out after management approval.

Exception: No written approval on one electronic payment selected for testing.

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

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement

for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.
- D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

Procedures performed. Noted the following exception:

Exception: There were 22 credit card transactions tested that did not contain business purposes totaling \$5,190.96. There was 1 missing receipt totaling \$2.60.

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. Noted the following exception:

Exception: Two of the travel expenses selected for testing did not contain documented approval by someone other than the person receiving the reimbursement.

8) Contracts

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

Procedures performed. No exceptions noted

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours

to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

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

Procedures performed. No exceptions noted

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. No exceptions noted

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Management represented that there were no misappropriations of public funds and assets during the fiscal period.

- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Procedures performed. No exceptions noted

13) Information Technology Disaster Recovery/Business Continuity

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

- A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- C. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- Hired before June 9, 2020 - completed the training; and
 - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

We performed the procedure and discussed the results with management

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).

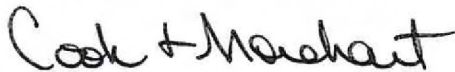
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed 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. No exceptions noted

We were engaged by the Town of Plain Dealing, 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 Plain Dealing, 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,
Certified Public Accountants, LLC
June 23, 2026

TOWN OF PLAIN DEALING

"Only Town in the World with Golden Rule Name"

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SHAVONDA GAY

June 23, 2026

Cook & Morehart,
Certified Public Accountants, LLC
1215 Hawn Ave
Shreveport, LA 71107

The Town of Plain Dealing submits the following responses to the exceptions identified in the Statewide Agreed-Upon Procedures Report for the year ended December 31, 2025:

Exception: The Town's policies and procedures do not include policies for Budgeting, Purchasing, Disbursements, Receipt/Collections, Payroll/Personnel, Contracting, Ethics, Debt Service, IT and Disaster Recovery, and Prevention of Sexual Harassment.

Response: The Town will update its policies and procedures to include the areas noted above.

Exception: The bank reconciliations selected for testing were approved by an employee that also posts transactions to ledgers. Bank reconciliations are performed by the Town's contract accountant.

Response: Management will begin initialing each bank reconciliation to denote their review and approval of the reconciliations.

Exception: There were eight items totaling \$6,849.52, on the bank reconciliations selected for testing that were more than 12 months outstanding.

Response: Management will begin researching items that are over 12 months outstanding.

Exception: There is no documented review/reconciliation of collections by someone independent of the collection process.

Response: Management will consider implementing a documented review procedure with an individual independent of the collection process will review and reconcile collections.

Exception: The employee responsible for processing payments is also responsible for adding/modifying vendor files.

Response: All payments are approved by management prior to disbursement.

Exception: The employee responsible for processing payments also mails the payments out after management approval.

Response: The Town will consider alternate controls in this area.

Exception: No written approval on one electronic payment selected for testing.

Response: Management will implement procedures for reviewing and approving electronic payments prior to disbursement.

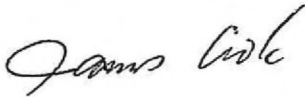
Exception: There were 22 credit card transactions tested that did not contain business purpose totaling \$5,190.96. There was 1 missing receipt totaling \$2.60.

Response: Receipts will be retained for all credit card charges and business purpose will be documented for all charges.

Exception: Two of the travel expenses selected for testing did not contain documented approval by someone other than the person receiving the reimbursement.

Response: Management will implement procedures for reviewing and approving travel expenses by someone other than the person receiving the reimbursement.

Sincerely,

A handwritten signature in cursive script, appearing to read "James Cook".

James Cook
Mayor

"This institution is an equal opportunity provider."