TOWN OF LIVINGSTON, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Jonathan "JT" Taylor
and Board of Aldermen
Town of Livingston, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Livingston, 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 Livingston, Louisiana's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Livingston, Louisiana 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Livingston, Louisiana, 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 Livingston, Louisiana's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Livingston, Louisiana's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Livingston, Louisiana'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, budgetary comparison information, the Schedule of the Town's Proportionate Share of Net Pension Liability, and the Schedule of the Town's Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Livingston, Louisiana's basic financial statements. The individual fund statements, statistical sections, schedule of insurance, schedule of compensation paid to board members, schedule of compensation, benefits, and other payments to the agency head, and the justice system funding schedule-collecting/disbursing entity are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund statements, statistical sections, schedule of insurance, schedule of compensation paid to board members, schedule of compensation, benefits, and other payments to the agency head, the justice system funding schedule-collecting/disbursing entity, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued my report dated June 22, 2026 on our consideration of the Town of Livingston, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Livingston's internal control over financial reporting and compliance.

Minda Raybourn

Minda Raybourn, CPA
Franklinton, LA
June 22, 2026

REQUIRED SUPPLEMENTARY INFORMATION (PART I)
MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF LIVINGSTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

Introduction

The Town of Livingston (the Town) is pleased to present its Financial Statements for the year ended December 31, 2025 developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments* (GASB 34), as amended, and with current standards as more fully described in Note 1 – *Summary of Significant Accounting Policies.*

The Town's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Town's financial activity, (c) identify changes in the Town's financial position, (d) identify any significant variations from the Town's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Town's financial statements beginning immediately following this Management's Discussion and Analysis.

Financial Highlights

- At December 31, 2025, the Town's assets exceeded its liabilities by $15,332,590 (net position). Of this amount, $4,656,565 (unrestricted net position) may be used to meet the Town's ongoing obligations to its citizens.

- For the year ended December 31, 2025, the Town's total net position increased by $3,081,262.

- At December 31, 2025, the Town's sole governmental fund (the General Fund) reported ending fund balances of $2,418,974, an increase of $580,839 for the year. Of this amount, $1,878,931 is unassigned.

- At December 31, 2025, the Town's sole proprietary fund (the Enterprise Fund) reported ending net position of $11,371,351, an increase of $1,595,051 for the year. Of this amount, $3,574,913 or 31% is available for spending at the Town's discretion (unrestricted net position).

Overview of the Annual Financial Report

The financial statement focus is on both the Town as a whole and on the major individual funds. Both perspectives, government-wide and major funds, allow the user to address relevant questions, broaden a basis for comparison, and enhance the Town's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The MD&A is intended to serve as an introduction to the Town's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business. Governmental activities, which normally are supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for support are presented in separate columns along with a total column for the primary government. If the Town determines that presentation of a component unit is necessary to allow the reader to determine the relationship of the component unit and primary government, the component unit information is presented in a separate column of the financial statements or in a separate footnote. Component unit information is presented separately in the notes to the financial statements. The town has no component units at December 31, 2025.

The Statement of Net Position presents information on the Town's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net position. Over time, the increases or decreases in net position and changes in the components of net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, both governmental and business-type, that are supported by the Town's general tax and other revenues. This is intended to summarize and simplify the reader's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

In both of the government-wide financial statements, the Town's activities are divided into two types:

Governmental activities - Most of the Town's basic services are reported here, including general government, public safety, streets, sanitation, health and welfare, and recreation. These activities are financed primarily by property taxes, franchise taxes, sales taxes, and fines.

Business-type activities - The Town charges a fee to customers to help it cover all of the cost of the services provided. The Town's water, natural gas, and sewer utility systems are reported here.

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

Fund Financial Statements

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

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

Proprietary funds account for water, natural gas, and sewer utility services provided by the Town to its customers. Proprietary fund statements provide the same type of information as the government-wide financial statements, but the fund presentation provides more detail.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Town's more immediate decisions on the current use of financial resources. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Town's net position for the current year as compared to the prior year. For more detailed information, see the Statement of Net Position in this report.

Net Position
2025 and 2024

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and Other Assets	$ 2,655,080	$ 2,732,741	$ 6,242,395	$ 6,655,406	$ 8,897,475	$ 9,388,147
Capital Assets	4,758,914	3,979,932	18,712,259	15,865,607	23,471,173	19,845,539
Total Assets	7,413,994	6,712,673	24,954,654	22,521,013	32,368,648	29,233,686
Deferred Outflows of Resources						
Pension Related	115,927	209,882	21,085	39,229	137,012	249,111
Advanced Bond Refunding	-	-	503,017	535,296	503,017	535,296
Total Deferred Outflows of Resources	115,927	209,882	524,102	574,525	640,029	784,407
Liabilities:						
Long-Term Liabilities	2,995,523	3,335,235	11,769,806	12,101,666	14,765,329	15,436,901
Other Liabilities	423,357	1,053,892	2,293,869	1,160,892	2,717,226	2,214,784
Total Liabilities	3,418,880	4,389,127	14,063,675	13,262,558	17,482,555	17,651,685
Deferred Inflows of Resources						
Pension Related	149,802	58,400	43,730	56,680	193,532	115,080
Total Deferred Inflows of Resources	149,802	58,400	43,730	56,680	193,532	115,080
Net Position:						
Net Investment in Capital Assets	2,793,880	2,432,633	7,415,874	5,556,315	10,209,754	7,988,948
Restricted	85,707	66,273	380,564	351,925	466,271	418,198
Unrestricted	1,081,652	(23,878)	3,574,913	3,868,060	4,656,565	3,844,182
Total Net Position	$ 3,961,239	$ 2,475,028	$ 11,371,351	$ 9,776,300	$ 15,332,590	$ 12,251,328

Approximately 67% of the Town's net position reflects its investment in capital assets (land, buildings, equipment, infrastructure, and improvements) net of any outstanding related debt used to acquire those capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Approximately 3% of the Town's net position represents resources that are subject to external restriction on how they may be used. The Town's restricted net position consists of cash reserves required by revenue bond agreements and cash for customer deposits net of corresponding liabilities.

Approximately 30% percent of the Town's net position is unrestricted and may be used to meet the Town's ongoing obligations to its citizens.

At the end of the current fiscal year, the Town was able to report positive balances in all three categories of net position for both business-type activities and governmental activities.

The Town's activities increased its total net position by $3,081,262, with governments activities increasing net position by $1,486,211 and business-type activities increasing net position by $1,595,051.

In order to further understand what makes up the changes in net position, the following table provides a summary of the results of the Town's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table. For more detailed information, see the Statement of Activities in this report.

Changes in Net Position
For the years ended December 31, 2025 and 2024

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for Services	$ 1,064,499	$ 723,226	$ 3,516,053	$ 3,184,046	$ 4,580,552	$ 3,907,272
Operating Grants and Contributions	156,438	157,968	15,604	109,163	172,042	267,131
Capital Grants and Contributions	381,643	40,000	2,428,814	340,248	2,810,457	380,248
General Revenues:						
Franchise Taxes	211,788	192,138	-	-	211,788	192,138
Property Taxes	84,075	79,134	-	-	84,075	79,134
Sales Taxes	990,196	859,943	-	-	990,196	859,943
Other Taxes	6,352	7,680	-	-	6,352	7,680
Interest Income	70,350	85,105	196,950	296,505	267,300	381,610
Miscellaneous	10,247	4,405	-	-	10,247	4,405
Gain on Sale of Assets	31,934	-	-	997	31,934	997
Total Revenues	3,007,522	2,149,599	6,157,421	3,930,959	9,164,943	6,080,558
Expenses:						
General Government	813,214	852,462	-	-	813,214	852,462
Public Safety - Police Protection	625,365	736,695	-	-	625,365	736,695
Public Safety - Fire Protection	149,510	138,012	-	-	149,510	138,012
Public Works - Streets	364,795	432,026	-	-	364,795	432,026
Sanitation	290,201	260,206	-	-	290,201	260,206
Recreation	543,120	454,273	-	-	543,120	454,273
Bond Interest	91,225	30,492	-	-	91,225	30,492
Lease Interest	19,316	12,389	-	-	19,316	12,389
Gas, Water, and Sewer Utility	-	-	3,186,935	3,107,588	3,186,935	3,107,588
Total Expenses	2,896,746	2,916,555	3,186,935	3,107,588	6,083,681	6,024,143
Change in Net Position Before Transfers and Contributions	110,776	(766,956)	2,970,486	823,371	3,081,262	56,415
Transfers (Out) In	1,375,435	-	(1,375,435)	-	-	-
Change in Net Position	1,486,211	(766,956)	1,595,051	823,371	3,081,262	56,415
Net Position, Beginning	2,475,028	3,241,984	9,776,300	8,952,929	12,251,328	12,194,913
Net Position, Ending	$ 3,961,239	$ 2,475,028	$ 11,371,351	$ 9,776,300	$ 15,332,590	$ 12,251,328

Governmental Activities

The Town's governmental net position increased by $1,486,211 or approximately 60% of the prior year ending net position of $2,475,028.

Total Governmental Activities Revenues increased $857,923 or approximately 40% from the prior year primarily related to increases charges for services and in capital grants and sales taxes in the governmental activities. The largest increase in charges for services was in recreation with an approximate increase of $251,000. Capital grants increased primarily related to federal grants for recreation parks.

Total Governmental Activities Expenses decreased $19,809. Decreases in general government, police protection and public works were partially offset by increases in all other functions. General government expenses decreased primarily related to a decrease in professional services and natural disaster expenses partially offset by several expenses. Public safety – police protection decreased primarily related to decreases in salary and retirement expenses. Public works has several expenses decreases which were partially offset by increases in salaries and related benefits along with depreciation and amortization expenses. Sanitation incurred more collection fees while recreation incurred higher salaries and program expenses. Interest expense increased for new leases in 2025 and bonds issued in the prior year.

Transfers in from the utility fund subsidizing governmental activities increased $1,375,435 in 2025 from $0 in 2024 to $1,375,435 in 2025.

Business-Type Activities

The Town's business-type net position increased by $1,595,051 of the prior year ending net position, to $11,371,351. Before transfers to/from the general fund, business-type net position increased $2,970,486.

While revenues of the business-type activities increased and expenses increased in 2025, total net position increased primarily related to increases in revenue. Business-type revenues increased $2,226,462 or approximately 57%. The largest revenue increase related an increase of $2,088,566 in capital grants for American Rescue Plan funding for the Water Sector Program. Charges for services also increased primarily related to utility charges to customers. These increases were partially offset by decreases in operating grants and interest income. Transfers to the general fund subsidizing governmental activities increased $1,375,435 in 2025 from $0 in 2024 to $1,375,435 in 2025.

Business-type activities expenses increased $79,347 or approximately 3% from prior year. The most significant increases were other operating expenses of approximately $106,000, cost of goods sold of approximately $93,000, utilities of approximately $35,000 and insurance expense of approximately $19,000. The increases were partially offset by decreases in various expenses, the most significant of which were the decrease in salaries and wages of approximately $58,000, bond issuance costs of approximately $53,000, repairs and maintenance of approximately $47,000, and employee benefits of approximately $14,000.

Fund Financial Analysis

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the year. The basic governmental fund financial statements begin with "Statement C – Balance Sheet, Governmental Funds" immediately following the government-wide financial statements.

At the end of the current year, the Town's sole governmental fund (the General Fund) reported ending fund balances of $2,418,974, an increase of $580,839 for 2025 after an increase of $224,368 in 2024. The unassigned fund balance is $1,878,931 at year end.

The general fund is the chief operating fund of the Town and the sole governmental fund in 2025.

Proprietary Funds

The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The town has one property fund in 2025, the Enterprise Fund.

General Fund Budgetary Highlights

The General Fund had no actual expenditures and other uses over budgeted amounts nor any actual revenues and other sources below budget amounts resulting in unfavorable variances greater than five percent in accordance with the Local Government Budget Act for the fiscal year ended December 31, 2025.

Capital Assets and Debt Administration

Capital Assets

The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2025 amounts to $23,471,173 (net of depreciation and amortization). The total increase in the Town's investment in capital assets for the current fiscal year before accumulated depreciation and amortization was $4,334,321.

The following table provides a summary of the Town's capital assets (net of depreciation and amortization) at the end of the current year as compared to the prior year. For more detailed information, see Note 8 to the financial statements.

Capital Assets (Net of Depreciation)
2025 and 2024

Capital Assets	Governmental Activities 2025	Governmental Activities 2024	Business-Type Activities 2025	Business-Type Activities 2024	Total 2025	Total 2024
Land	$ 135,054	$ 135,054	$ 88,349	$ 88,349	$ 223,403	$ 223,403
Construction in Progress	515,619	1,803,690	4,604,440	2,299,683	5,120,059	4,103,373
Buildings and Improvements	1,006,181	999,681	384,814	384,814	1,390,995	1,384,495
Parks and Improvements	3,849,179	1,852,816	-	-	3,849,179	1,852,816
Sidewalk Improvements	517,882	517,882	-	-	517,882	517,882
Vehicles	907,742	903,747	221,969	221,969	1,129,711	1,125,716
Machinery & Equipment	793,806	762,299	414,132	414,132	1,207,938	1,176,431
Furniture and Fixtures	27,270	27,270	15,665	15,665	42,935	42,935
Computers and Software	57,823	57,823	90,857	90,857	148,680	148,680
Infrastructure	1,103,997	1,071,773	-	-	1,103,997	1,071,773
Gas Utility System	-	-	616,320	611,725	616,320	611,725
Water Utility System	-	-	5,429,417	5,348,160	5,429,417	5,348,160
Sewer Utility System	-	-	16,726,485	15,619,792	16,726,485	15,619,792
Subtotal Capital Assets	8,914,553	8,132,035	28,592,448	25,095,146	37,507,001	33,227,181
Less: Accumulated Depreciation	(4,419,482)	(4,306,675)	(9,986,762)	(9,401,430)	(14,406,244)	(13,708,105)
Lease Assets - Vehicles	354,088	238,782	197,720	197,720	551,808	436,502
Lease Assets - Machinery & Equipment	20,665	-	-	81,470	20,665	81,470
Subtotal Lease Assets	374,753	238,782	197,720	279,190	572,473	517,972
Less: Accumulated Amortization	(110,910)	(84,210)	(91,147)	(107,299)	(202,057)	(191,509)
Capital Assets, Net	$ 4,758,914	$ 3,979,932	$ 18,712,259	$ 15,865,607	$ 23,471,173	$ 19,845,539

During the year ending December 31, 2022, the Town implemented GASB Statement No 87, *Leases*. The result of the implementation was the addition of leases greater than 12 months recorded as a right-of-use asset, categorized as a capital asset, along with a lease liability. The right-of-use asset is amortized using the straight-line method over a period of the shorter of the lease term or the useful life of the asset.

Governmental activities total capital assets, including lease assets, increased by $918,489 before depreciation expense of $255,777 and amortization expense of $65,315. This increase primarily relates to new lease agreements under GASB 87 treatment as well as other capital outlay. The right-of-use assets, lease assets, increased $135,971 primarily related to the GASB 87 recording of the leasing of three new vehicles and the lease of new police equipment which were partially offset by the termination of one vehicle lease. Capital assets increased $782,518 primarily related to $10,185 in construction in progress for the Old Courthouse Project and $2,025,940 in construction in progress for the Johnny Sartwell Park Project, with the total park project of $2,025,940 transferred to depreciable assets – park improvements in the current year. Other depreciable capital assets increased primarily related to capital outlay for street signs, police vehicles and fire equipment. These increases were partially offset by the disposal of park improvements and the sale of vehicles and equipment.

Total capital assets for business-type activities increased by $3,415,832 before depreciation expense of $585,332 and amortization expense of $65,318. Capital assets increased primarily related to $2,699,990 in construction in progress for the Water Sector Project and $591,764 in construction in progress for the Satsuma Wastewater Treatment (Sewer) Project, with the total Satsuma project of $1,088,277 transferred to depreciable assets – sewer utility system in the current year. Other depreciable capital assets increased primarily related to other utility system improvements. The right-of-use assets, lease assets, decreased $81,470 primarily to the GASB 87 recording of the expiration of a lease on equipment in the current year.

Long-Term Obligations

At December 31, 2025, the Town had total debt outstanding of $14,213,495 as described in the table below. Of this total, $448,451 is due within one year and $13,765,044 is due within greater than one year. The following table provides a summary of the Town's outstanding debt at the end of the current year as compared to the prior year.

Outstanding Debt
2025 and 2024

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Leases	$ 240,802	$ 158,295	$ 114,686	$ 181,587	$ 355,488	$ 339,882
Rev Bonds / Cert of Indebt.	2,165,778	2,260,778	11,692,229	11,932,146	13,858,007	14,192,924
Total Outstanding Debt	$ 2,406,580	$ 2,419,073	$ 11,806,915	$ 12,113,733	$ 14,213,495	$ 14,532,806

Long term debt decreased $319,311 primarily related principal payments on debt. Interest rates for long-term debt range from 2% to 5.0%. For more detailed information, see Note 12 to the financial statements.

Bonds financed for the Town require a specific debt to net income ratio of 125%. As noted in Note 13, the Town met the required ratio for the fiscal year ended December 31, 2025.

At December 31, 2025, the town also had compensated absences payable of $38,161 for governmental activities, an increase of $366 from the 2024 amount of $37,795 and compensated absences payable of $41,076 for business-type activities, an increase of $13,554 from the 2024 amount of $27,522. These increases primarily relate to the implementation of GASB Statement No. 101 in 2024.

At December 31, 2025, the Town also has net pension liability of $739,070 for governmental activities, a decrease of $292,127, and net pension liability of $216,917 for business-type activities, a decrease of $50,568.

Other Factors Affecting the Town

The Town of Livingston's management approach is conservative. When possible, the Mayor and Aldermen attempt to provide services for the Town based on existing revenues and to finance long-term projects only when absolutely necessary. The Town actively pursues grant funds to minimize the cost of major projects to its citizens. The Town also attempts to keep utility rates at the minimum required to cover the costs of utility system operation. However, gas system rates are largely dependent on the amounts charged the Town for the cost of gas sold. In addition, the Town is required to respond to the need for sewer system improvements as mandated for municipalities by the United States Environmental Protection Agency and the Louisiana Department of Environmental Quality.

Contacting the Town's Financial Management

This financial report is designed to provide the Town's citizens, taxpayers, creditors and investors with a general overview of the Town's finances and show the Town's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to the Town of Livingston at 20550 Circle Drive, Livingston, Louisiana 70754, telephone (225) 686-7773.

BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement A

TOWN OF LIVINGSTON

STATEMENT OF NET POSITION

AS OF DECEMBER 31, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 428,346	$ 1,541,203	$ 1,969,549
Investments	550,614	1,570,634	2,121,248
Receivables, Net:			
Accounts	-	269,586	269,586
Intergovernmental	1,257	1,202,520	1,203,777
Other	4,431	1,500	5,931
Taxes	197,722	-	197,722
Due From Other Funds	906,682	-	906,682
Inventory	-	14,351	14,351
Prepaid Insurance	38,775	29,177	67,952
Total Current Assets	2,127,827	4,628,971	6,756,798
Noncurrent Assets:			
Restricted Assets:			
Restricted Cash and Cash Equivalents	501,268	1,290,981	1,792,249
Restricted Investments	-	255,848	255,848
Total Restricted Assets	501,268	1,546,829	2,048,097
Capital Assets:			
Land	135,054	88,349	223,403
Construction in Progress	515,619	4,604,440	5,120,059
Capital Assets, Net of Depreciation	3,844,398	13,912,897	17,757,295
Lease Assets, Net of Amortization	263,843	106,573	370,416
Total Capital Assets	4,758,914	18,712,259	23,471,173
Other Assets:			
Unamortized Bond Insurance Costs	25,985	66,595	92,580
Total Noncurrent Assets	5,286,167	20,325,683	25,611,850
Total Assets	7,413,994	24,954,654	32,368,648
Deferred Outflows of Resources:			
Pension Related	115,927	21,085	137,012
Advanced Bond Refunding	-	503,017	503,017
Total Deferred Outflows of Resources	115,927	524,102	640,029
Liabilities			
Current Liabilities:			
Accounts Payable	47,746	84,376	132,122
Other Accrued Payables	187,323	741,897	929,220
Due To Other Funds	-	906,682	906,682
Customer Deposits	-	265,812	265,812
Bonds Payable	110,000	237,000	347,000
Leases Payable	61,742	39,709	101,451
Compensated Absences Payable	16,546	18,393	34,939
Total Current Liabilities	423,357	2,293,869	2,717,226
Long-Term Liabilities:			
Bonds Payable	2,055,778	11,455,229	13,511,007
Leases Payable	179,060	74,977	254,037
Compensated Absences Payable	21,615	22,683	44,298
Net Pension Liability	739,070	216,917	955,987
Total Long-Term Liabilities	2,995,523	11,769,806	14,765,329
Total Liabilities	3,418,880	14,063,675	17,482,555
Deferred Inflows of Resources:			
Pension Related	149,802	43,730	193,532
Total Deferred Inflows of Resources	149,802	43,730	193,532
Net Position			
Net Investment in Capital Assets	2,793,880	7,415,874	10,209,754
Restricted for:			
Capital Projects and Debt Service	85,707	380,564	466,271
Unrestricted	1,081,652	3,574,913	4,656,565
Total Net Position	$ 3,961,239	$ 11,371,351	$ 15,332,590

The accompanying notes are an integral part of this statement.

Statement B

TOWN OF LIVINGSTON

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position of the Primary Government		
Primary Government	**Expenses**	**Charges for Services**	**Operating Grants & Contributions**	**Capital Grants & Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**
Governmental Activities							
General Government	$ 813,214	$ 269,072	$ 17,091	$ 381,643	$ (145,408)	$ -	$ (145,408)
Public Safety - Police Protection	625,365	97,698	51,963	-	(475,704)	-	(475,704)
Public Safety - Fire Protection	149,510	-	75,034	-	(74,476)	-	(74,476)
Public Works - Streets	364,795	-	12,350	-	(352,445)	-	(352,445)
Sanitation	290,201	288,955	-	-	(1,246)	-	(1,246)
Recreation	543,120	408,774	-	-	(134,346)	-	(134,346)
Bond Interest Expense	91,225	-	-	-	(91,225)	-	(91,225)
Lease Interest	19,316	-	-	-	(19,316)	-	(19,316)
Total Governmental Activities	2,896,746	1,064,499	156,438	381,643	(1,294,166)	-	(1,294,166)
Business-type Activities							
Gas	601,755	623,751	4,681	-	-	26,677	26,677
Water	887,694	1,512,106	6,242	2,428,814	-	3,059,468	3,059,468
Sewer	1,697,486	1,380,196	4,681	-	-	(312,609)	(312,609)
Total Business-type Activities	3,186,935	3,516,053	15,604	2,428,814	-	2,773,536	2,773,536
Total All Activities	$ 6,083,681	$ 4,580,552	$ 172,042	$ 2,810,457	(1,294,166)	2,773,536	1,479,370
General Revenues:							
Taxes:							
Franchise Taxes					211,788	-	211,788
Property Taxes					84,075	-	84,075
Sales and Use Taxes					990,196	-	990,196
Other Taxes					6,352	-	6,352
Interest Income					70,350	196,950	267,300
Gain on Sale of Assets					31,934	-	31,934
Miscellaneous					10,247	-	10,247
Operating Transfers In (Out)					1,375,435	(1,375,435)	-
Total General Revenues and Transfers					2,780,377	(1,178,485)	1,601,892
Change in Net Position					1,486,211	1,595,051	3,081,262
Net Position - Beginning					2,475,028	9,776,300	12,251,328
Net Position - Ending					$ 3,961,239	$ 11,371,351	$ 15,332,590

The accompanying notes are an integral part of this statement.

BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS

Statement C

TOWN OF LIVINGSTON

BALANCE SHEET, GOVERNMENTAL FUNDS

AS OF DECEMBER 31, 2025

	General Fund
Assets	
Cash and Equivalents	$ 428,346
Investments	550,614
Receivables, Net:	
Intergovernmental	5,328
Other	360
Taxes	197,722
Prepaid Insurance	38,775
Due from Other Funds	906,682
Restricted Cash	501,268
Total Assets	$ 2,629,095
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	
Liabilities:	
Accounts Payable	$ 47,746
Other Accrued Payables	76,596
Unearned Revenue	72,102
Total Liabilities	196,444
Deferred Inflows of Resources:	
Ad Valorem Taxes - Unavailable	13,677
Total Deferred Inflows of Resources	13,677
Fund Balances:	
Nonspendable	38,775
Restricted	501,268
Unassigned	1,878,931
Total Fund Balances	2,418,974
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,629,095

The accompanying notes are an integral part of this statement.

TOWN OF LIVINGSTON

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE FINANCIAL STATEMENT OF NET POSITION

AS OF DECEMBER 31, 2025

Fund Balances, Total Governmental Funds (Statement C)	$	2,418,974
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 are therefore not reported in the governmental funds.		
Governmental capital assets net of depreciation		4,495,071
Governmental lease assets net of amortization		263,843
Some liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Bonds Payable		(2,165,778)
Leases Payable		(240,802)
Compensated Absences Payable		(38,161)
Net Pension Liability		(739,070)
Accrued Interest on Leases		(38,625)
Deferred outflows of resources and deferred inflows of resources are not reported in the governmental funds:		
Deferred Outflows of Resources		115,927
Deferred Inflows of Resources		(149,802)
Prepaid insurance related to bonds is expensed in the general fund		25,985
Ad Valorem Taxes		13,677
Net Position of Governmental Activities (Statement A)	$	3,961,239

The accompanying notes are an integral part of this statement.

TOWN OF LIVINGSTON

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2025

	General Fund
Revenues:	
Taxes	$ 1,272,382
Licenses and Permits	269,072
Sanitation Fees	288,955
Parks and Recreation	408,774
Fines and Forfeitures	97,510
Intergovernmental - State Grants	74,567
Intergovernmental - Federal Grants	307,076
Intergovernmental - Other	121,996
Interest	70,350
Miscellaneous	10,475
Total Revenues	2,921,157
Expenditures:	
General Government	827,494
Public Safety:	
Police	594,780
Fire	110,692
Streets	274,449
Sanitation	290,201
Recreation	433,147
Capital Outlays	925,684
Capital Outlays - Leases	174,586
Debt Service:	
Principal	163,921
Interest	104,356
Total Expenditures	3,899,310
Excess (Deficiency) of Revenues Over (Under) Expenditures	(978,153)
Other Financing Sources (Uses):	
Operating Transfers In	1,375,435
Sale of Fixed Assets	8,971
Lease Proceeds	174,586
Total Other Financing Sources (Uses)	1,558,992
Net Change in Fund Balances	580,839
Fund Balances, Beginning	1,838,135
Fund Balances, Ending	$ 2,418,974

The accompanying notes are an integral part of this statement.

Statement F

TOWN OF LIVINGSTON

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 (Statement E)		$	580,839
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 costs of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.			
Capital Outlay expenditures for capital assets	$ 925,684		
Capital Outlay expenditures for lease assets	174,586		
Less:			
Gain on sale of assets	22,963		
Current year depreciation - capital assets	(255,777)		
Current year amortization - lease assets	(65,315)		802,141
Repayment of lease and bond principal is an expenditure in governmental funds but the repayment reduces long-term liabilities in the Statement of Net Position. Proceeds received through leases and bonds are recorded as an other financing source in governmental funds, but as increases in a long term liability in the Statement of Net Position.			
Proceeds from leases	(174,586)		
Principal payments - bonds	95,000		
Principal payments - leases	68,921		(10,665)
Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not recorded as expenditures in the governmental funds.			
Change in accrued interest			(6,184)
Change in compensated absences			(366)
Pension expense			66,015
Some revenues in the Statement of Activities do not provide current financial resources and are not reported as revenues in the governmental funds.			
Non-employer contributions to cost-sharing pension plan			40,754
Deferred inflows of resources for ad valorem taxes collected after year end, but not available soon enough to pay for current expenditures changed by the following amount.			13,677
Change in Net Position of Governmental Activities (Statement B)		$	1,486,211

The accompanying notes are an integral part of this statement.

Statement G

TOWN OF LIVINGSTON

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

AS OF DECEMBER 31, 2025

		Enterprise Fund
Assets		
Current Assets:		
Cash and Cash Equivalents	$	1,541,203
Investments		1,570,634
Receivables, Net:		
Accounts		269,586
Other		1,500
Due from Other Governments		1,202,520
Interest		-
Due From Other Funds		-
Inventory - Natural Gas		14,351
Prepaid Expenses		29,177
Total Current Assets		4,628,971
Noncurrent Assets:		
Restricted Assets:		
Restricted Cash and Cash Equivalents		1,290,981
Restricted Investments		255,848
Total Restricted Assets		1,546,829
Property, Plant, and Equipment:		
Construction in Progress		4,604,440
Property, Plant and Equipment, Net		14,001,246
Lease Assets, Net		106,573
Total Property, Plant, and Equipment		18,712,259
Other Assets:		
Unamortized Bond Insurance Costs		66,595
Total Noncurrent Assets		20,325,683
Total Assets		24,954,654
Deferred Outflows of Resources		
Pension Related		21,085
Advanced Bond Refunding		503,017
Total Deferred Outflows of Resources		524,102
Liabilities		
Current Liabilities:		
Accounts Payable		84,376
Other Accrued Payables		741,897
Due To General Fund		906,682
Customer Deposits		265,812
Bonds Payable		237,000
Lease Payable		39,709
Compensated Absences Payable		18,393
Total Current Liabilities		2,293,869
Long-Term Liabilities:		
Bonds Payable		11,455,229
Leases Payable		74,977
Net Pension Liability		216,917
Compensated Absences Payable		22,683
Total Long-Term Liabilities		11,769,806
Total Liabilities		14,063,675
Deferred Inflows of Resources		
Pension Related		43,730
Total Deferred Inflows of Resources		43,730
Net Position		
Net Investment in Capital Assets		7,415,874
Restricted for:		
Capital Projects and Debt Service		380,564
Unrestricted		3,574,913
Total Net Position	$	11,371,351

The accompanying notes are an integral part of this statement.

Statement H

TOWN OF LIVINGSTON

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Enterprise Fund
Operating Revenues:	
Gas Sales	$ 597,670
Less Cost of Gas Sold	(205,097)
Gross Profit on Gas Sales	392,573
Water Sales	1,384,394
Sewer Service Charges	1,186,152
Intergovernmental	15,604
Other	347,837
Total Operating Revenues	3,326,560
Operating Expenses:	
Depreciation and Amortization	653,682
Employee Benefits	153,714
Insurance	165,155
Other	435,215
Professional Fees	214,452
Repairs and Maintenance	253,968
Salaries and Wages	418,964
Supplies	28,894
Utilities	199,338
Total Operating Expenses	2,523,382
Operating Income (Loss)	803,178
Nonoperating Revenues (Expenses):	
Grants - Federal	2,428,814
Interest Income	196,950
Interest Expense	(458,456)
Total Nonoperating Revenues (Expenses)	2,167,308
Operating Transfers Out	(1,375,435)
Change in Net Position	1,595,051
Net Position, Beginning	9,776,300
Total Net Position, Ending	$ 11,371,351

The accompanying notes are an integral part of this statement.

Statement I

TOWN OF LIVINGSTON

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Enterprise Fund
Cash Flows From Operating Activities:	
Received from Customers	$ 3,220,272
Received for Meter Deposit Fees	5,969
Other Receipts	344,732
(Payments for) Interfund Services	328,474
Payments for Operations	(1,004,395)
Payments to Employees	288,900
Net Cash Provided by Operating Activities	3,183,952
Cash Flows From Noncapital Financing Activities:	
Transfers from (to) Other Funds	(1,375,435)
Other Grant Funds Received	-
Net Cash Used in Noncapital Financing Activities	(1,375,435)
Cash Flows From Capital and Related Financing Activities:	
Proceeds from Sale of Capital Acquisitions	-
Payments for Capital Acquisitions	(3,734,676)
Payments for Debt Issue Costs	-
Cash received on Capital Grants	1,485,172
Principal Proceeds from (Repayments for) Long Term Debt	(274,539)
Interest Payments for Long-Term Debt	(461,372)
Net Cash Used in Capital and Related Financing Activities	(2,985,415)
Cash Flows From Investing Activities:	
Receipt of Interest	196,950
Proceeds from Sale of (Payments for) Investments	1,515,218
Net Cash Provided by Investing Activities	1,712,168
Net Increase in Cash and Cash Equivalents	535,270
Cash and Cash Equivalents, Beginning of Year	2,296,914
Cash and Cash Equivalents, End of Year	$ 2,832,184
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:	
Cash and Cash Equivalents, Unrestricted	$ 1,541,203
Cash and Cash Equivalents, Restricted	1,290,981
Total Cash and Cash Equivalents	$ 2,832,184
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	$ 803,178
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation and Amortization	653,682
(Increase) Decrease in Accounts Receivable	52,056
(Increase) Decrease in Other Receivable	-
(Increase) Decrease in Inventory	(4,862)
(Increase) Decrease in Prepaid Insurance	(1,995)
(Increase) Decrease in Deferred Outflows of Resources	18,144
(Increase) Decrease in Due (to) and from Other Funds	1,235,156
Increase (Decrease) in Accounts Payable	2,921
Increase (Decrease) in Compensated Absences	13,554
Increase (Decrease) in Deferred Inflows of Resources	(12,950)
Increase (Decrease) in Accrued Expenses	419,099
Increase (Decrease) in Customer Deposits	5,969
Net Cash Provided by Operating Activities	$ 3,183,952

Noncash Capital and Financing Activities

The Town amortized all outstanding bond discounts and premiums. This amortization reduced interest expense $12,917 in the current year.

The accompanying notes are an integral part of this statement.

BASIC FINANCIAL STATEMENTS
NOTES TO THE FINANCIAL STATEMENTS

Introduction

The Town of Livingston, Louisiana was incorporated November 4, 1955, under the provisions of the Lawrason Act. The Town operates under a Mayor/Board of Aldermen form of government. The Mayor and each of five aldermen are elected at large for four-year terms. The Mayor and Aldermen are compensated per diem for each meeting attended; in addition, the Mayor receives a salary. The Town is located 28 miles east of Baton Rouge, Louisiana, north of Interstate Highway 12, with U.S. Highway 190 intersecting the northern part of the Town.

The Town's total population is 1,877, as reported by the U.S. Census Bureau, Census 2020. The Town provides police and fire protection, services to maintain and develop streets, drainage, and sanitation, support of recreation activities, general and administrative services, and utilities services for area residents. The Town provides water, gas, and sewer utility services to 2,772 water customers, 746 gas customers, and 1,622 sewer customers inside and outside of the Town limits. The water distribution system provides services for Town of Livingston, Satsuma, and Brentwood. The current sewerage system consists of two separate collection systems with two separate sewerage treatment plants. The first and larger of the sewerage treatment plants is located at the Red Oak Facility in the Town of Livingston. The second is located in the subdivision of Brentwood and services the Satsuma area. At year end, the Town employs 29 employees in addition to the Mayor and Board of Aldermen.

Governmental Accounting Standards Board (GASB) Statement No. 14, as amended, establishes criteria for determining the reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, as amended, the Town of Livingston is considered a primary government, since it is a local government that has a separately elected governing body. Under provisions of this statement, the Town is not considered a component unit of another government nor are there any component units of the Town.

1. Summary of Significant Accounting Policies -

A. Basis of Presentation

These financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. These financial statements are presented in accordance with GASB Statement No. 34, Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments, as amended. Statement No. 34 established standards for financial reporting, with presentation requirements originally including a statement of net position (or balance sheet), and a statement of activities. The definition and composition of these statements, as originally defined in GASB Statement No. 34, are as amended by GASB Statements, some of which are included in the following paragraphs. The Town has also adopted the provisions of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, that requires capital contributions to the Town to be presented as a change in net position.

GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, effective for financial statement periods ending after December 15, 2012, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, Elements of Financial Statements, introduced and defined Deferred Outflows of Resources as a consumption of net assets by the government that is applicable to a future reporting period, and Deferred Inflows of Resources as an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The definition and reporting of net position is further described in Note 1 K – Net Position and Fund Balance.

The Town has also adopted GASB Statement No. 65*, Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The application of this standard to long-term debt offerings of the Town is more fully described in Note 1 J – Other Long-Term Obligations.

December 31, 2025, the Town had the following deferred outflows and deferred inflows of resources recorded in the Enterprise Fund: deferred outflows of resources related to pension and advanced bond refunding of $21,085 and $503,017, respectively; and deferred inflows of resources of $43,730 related to pension.

The Town also had the following deferred outflows and deferred inflows of resources recorded in the government-wide statement of net position: deferred outflows of resources related to pension and advanced bond refunding of $137,012 and $503,017, respectively, at December 31, 2025; and deferred inflows of resources of $193,532 related to pension.

B. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are presented as separate columns in the fund financial statements. For the year ending December 31, 2025, the town only reports a single governmental fund, the general fund, and only one proprietary fund, the enterprise fund.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

Property taxes, franchise taxes, licenses, intergovernmental and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants, if any, are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or is considered available for this revenue source. Only the portion of special assessment receivable, if any, due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Substantially all other revenue items are considered to be measurable and available only when cash is received by the government.

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

The Town reports the following major governmental funds:

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

The Town reports the following major proprietary funds:

The Enterprise Fund accounts for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user fees, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town's enterprise fund accounts for the operations of the town's utility systems: the water, sewer and gas utility systems.

D. Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Town's investment policy allow the Town to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities.

Investments for the Town are reported at fair value, except nonparticipating investment contracts which are reported at cost, if any.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." The net amount of interfund receivables and payables between governmental activities and business-type activities are reported as internal balances in the government-wide statement of net position. The net amount of transfers between governmental activities and business-type activities are reported as transfers in the government-wide statement of activities.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	**Levied Millage**	**Expiration Date**
General Corporate Purposes	4.77 mills	3.88 mills	None

Sales and use taxes are levied at one percent for perpetuity. The proceeds of this sales and use tax are dedicated to general corporate purposes.

F. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. The Town did not have any inventory at December 31, 2025 other than gas inventory storage of $14,351. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

G. Restricted Assets

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable bond covenants. Additionally, funds held for customer's meter deposits and impact fees are also classified as restricted assets.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements as well as within the proprietary fund financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The municipality maintains a threshold level of $2,500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The Town does not capitalize interest during the construction period on a prospective basis per GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.

All depreciable capital assets are depreciated using the straight-line method over the following estimated useful lives:

Description	Estimated Lives
Buildings and Improvements	5 - 40 Years
Parks and Improvements	5 - 20 Years
Vehicles and Equipment	5 - 15 Years
Furniture and Fixtures	5 - 10 Years
Computers and Software	5 Years
Infrastructure	20 - 40 Years
Gas System	10 - 40 Years
Water System	5 - 40 Years
Sewer System	5 - 40 Years

I. Compensated Absences

The Town has the following policy related to vacation and sick leave:

All full-time employees earn leave as follows:

	Minimum Years of Service			
	6 Mo. to 2 Yrs.	2 Yrs. to 10 Yrs.	10 Yrs. to 20 Yrs.	20 + Years
Vacation Leave - Hours Earned per Year	40	80	120	160
Sick Leave - Hours Earned per Year	96	120	144	144
	136	200	264	304

Employees are allowed to carryover 40 hours of vacation time each year. Additionally, vacation is paid out at retirement or termination at the employee’s current rate of pay. Vacation time accrued must be taken by the end of the fiscal year.

Employees may roll sick time each year up to a maximum which may be accumulated of one thousand four hundred forty hours sick leave. No sick days shall be taken in lieu of vacations. Unused sick leave benefits are not paid to employees while they are employed or upon termination of employment. Only when an employee retires, they can be paid for up to 120 hours of sick leave.

The cost of leave privileges is computed in accordance with GASB Codification Section C60. During the year ending December 31, 2024, the Town implemented GASB Statement No. 101, Compensated Absences. In accordance with GASB 101 and the Town’s compensated absences polices, the Town’s compensated absences liabilities in the government-wide financial statements and proprietary funds financial statements are recognized as earned and determined more likely than not to be used for time off or paid out. Compensated absences are reported using the first-in/first-out flow assumption. In the governmental funds financial statements, compensated absences are recognized as current year expenditures when leave is taken.

J. Other Long-Term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are expensed in the period incurred under GASB 65.

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

K. Net Position and Fund Balance

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, required reclassification of net assets into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 requires the following components of net position:

- **Net Investment in Capital Assets Component of Net Position** – The *net investment in capital assets* component of net position includes capital assets, net of accumulated depreciation, reduced by the outstanding balance of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in the component of net position. If there are significant unspent proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt or deferred inflows or resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.

- **Restricted Component of Net Position -** The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. Net position should be reported as restricted when constraints placed on net position use are either: (a) Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) Imposed by law through constitutional provisions or enabling legislation.

- **Unrestricted Component of Net Position -** The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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

- **Nonspendable.** These are amounts that cannot be spent either, because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

- **Restricted.** These are amounts that can be spent only for specific purposes, because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

- **Committed.** These are amounts that can be used only for specific purposes determined by a formal decision of the Board, which is the highest level of decision-making authority for the Town.

- **Assigned.** These are amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes based on the discretion of the Board. Assigned fund balance includes (a) all remaining amounts (except for negative balances,) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed and (b) amounts in the general fund that are intended to be used for a specific purpose based on the discretion of the Board.

- **Unassigned.** These are amounts that have not been assigned to other funds and amounts that have not been restricted, committed, or assigned to specific purposes within the general fund. Also, within other governmental funds, these include expenditure amounts incurred for specific purposes which exceed the amounts restricted, committed, or assigned for those purposes.

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

When restricted, committed, assigned, or unassigned fund balances are available for use, the Town considers amounts to have been spent first out of restricted funds, and then committed funds, then assigned funds, and finally unassigned funds as needed, unless it has been provided for otherwise in the restriction, commitment, or assignment action.

L. Comparative Data/Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation. All prior period adjustments, if any, recorded in the current period have been reflected in prior period data presented wherever possible.

M. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the municipality, which are either unusual in nature or infrequent in occurrence.

N. Estimates

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

O. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

2. Stewardship, Compliance and Accountability -

The Town uses the following budget practices:

1. The Town Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.

2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving the increase in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.

6. All budgetary appropriations lapse at the end of each fiscal year.

7. Budgets for the general and enterprise funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for enterprise funds are presented on the accrual basis of accounting. Other governmental funds are presented on the modified accrual basis of accounting. Accordingly, the budgetary comparison schedules present actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally

adopted budgets as amended. All budgetary amounts presented reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

The General Fund had no actual expenditures and other uses over budgeted amounts nor any actual revenues and other sources below budget amounts resulting in unfavorable variances greater than five percent in accordance with the Local Government Budget Act for the fiscal year ended December 31, 2025.

3. Cash Deposits with Financial Institutions -

At December 31, 2025, the Town has deposits with financial institutions (book balances) as follows:

		December 31, 2025
Cash on Hand	$	100
Interest-bearing Demand Deposits		2,203,868
Time and Savings Deposits		1,557,830
Total Cash and Cash Equivalents		3,761,798
Other Deposits:		
Louisiana Asset Management Pool (LAMP) (See Note 4)		2,377,096
Total Deposits	$	6,138,894

The cash and cash equivalents are stated at cost, which approximates market. The deposit in LAMP is stated at fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Even though the pledged securities may be considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the municipality that the fiscal agent has failed to pay deposited funds upon demand.

Custodial credit risk as it relates to cash deposits is the risk that in the event of a bank failure, the government's deposits may not be returned. The Town does not have a formal policy for custodial risk. At December 31, 2025, the Town has $3,874,731 in deposits (collected bank balances other than LAMP), consisting of $2,316,890 in demand deposits at one bank and $1,577,841 in time and savings deposits at one bank. The demand deposits are secured from risk by $250,000 of federal deposit insurance and $2,066,890 is secured from risk by pledged securities. The $2,066,890 is exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The time and savings deposits totaling $1,557,841 are secured from risk by the Trust Department of the respective bank.

4. Investments -

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the town or its agent in the Town's name

2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Town's name
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Town's name

The Town's investments are carried at fair value, except nonparticipating investment contracts which are reported at cost, if any.

Interest Rate Risk: The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value arising from increasing interest rates.

There were no investments held by the Town at December 31, 2025, other than LAMP.

At December 31, 2025, the Town's investment balances were as follows:

	Carrying Amount	Fair Market Value
Louisiana Asset Management Pool	$ 2,377,096	$ 2,377,096
Total	$ 2,377,096	$ 2,377,096

LAMP is administered by LAMP, Inc., a non-profit organized under the laws of the State of Louisiana. Only local government entities contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

GASB Statement 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

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

1. Credit risk: LAMP is rated AAAm by Standards and Poor's.
2. Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
3. Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirement.
4. Interest rate risk: LAMP is designed to be highly liquid to give participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 73 days (from LAMP's monthly Portfolio Holding) as of December 31, 2025.
5. Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. If you have any questions, please feel free to contact LAMP administrative offices at 800-249-5267.

5. Receivables -

Major receivables balances for the governmental activities include ad valorem taxes, sales taxes, franchise taxes, and other similar intergovernmental revenues. Business-type activities report utilities earnings as their major receivable. In the governmental funds these revenue accruals are limited to those that are both measurable and available. Utility accounts receivable comprise the majority of business-type activities and proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging and write-off of accounts receivable.

The Governmental Fund receivables at December 31, 2025 consist of the following:

		General Fund
Taxes:		
Ad Valorem	$	74,320
Public Utility Franchise		45,605
Sales and Use Tax		77,797
Intergovernmental:		
State of Louisiana, Beer Tax Distribution		1,257
Other Intergovernmental Receivables		4,071
Royalties		360
Total Receivables	$	203,410

The Enterprise Fund accounts receivable at December 31, 2025 consists of the following:

Accounts Receivable		Enterprise Fund
Current	$	269,586
31 - 60 Days		22,718
61 - 90 Days		470
Over 90 Days		32,934
Subtotal		325,708
Less Allowance for Bad Debt		(56,122)
Accounts Receivables, Net		269,586
Accrued Billings		-
Total Accounts Receivable	$	269,586

For the fiscal year ended December 31, 2025, there was $18,709 in bad debt recovery recorded.

6. Interfund Receivables/Payables -

The following is a detailed list of inter-fund balances reported in the fund financial statements on December 31, 2025:

Interfund Balances	Due From Other Funds	Due To Other Funds
General Fund	$ 906,682	$ -
Enterprise Fund	-	(906,682)
Total Interfund Balances	$ 906,682	$ (906,682)

The balance due between funds primarily represents amounts paid between funds for cash flow purposes above the amount due to the General fund from the Enterprise fund for payroll and sanitation fees at December 31, 2025.

7. Restricted Assets -

Restricted assets for the Governmental Funds and Enterprise Fund at December 31, 2025 were as follows:

	December 31, 2025
Restricted Cash and Cash Equivalents	
General Fund	
Bond Sinking Account	$ 85,707
Series 2024 Construction	415,561
Subtotal - General Fund	501,268
Enterprise Fund	
Customer Deposits	34,899
Impact Fees	199,520
Bond Sinking Account	355,629
Series 2019 Construction	201
Series 2020 Construction	32,392
Series 2023 Construction	630,114
Series 2024 Construction	38,226
Restricted Investments	
Enterprise Fund	
LAMP - Customer Deposits	255,848
Subtotal - Enterprise Fund	1,546,829
Total Restricted Assets	$ 2,048,097

8. Capital Assets -

During the year ending December 31, 2022, the Town implemented GASB Statement No 87, *Leases.* The result of the implementation was the addition of leases greater than 12 months recorded as a right-of-use asset, categorized as a capital asset, along with a lease liability. The lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease asset is measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease asset is amortized using the straight-line method over a period of the shorter of the lease term or the useful life of the asset.

Capital assets and depreciation activity as of and for the year ended December 31, 2025 for governmental activities is as follows:

Governmental Activities Capital Assets:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 135,054	$ -	$ -	$ 135,054
Construction in Progress	1,803,690	737,869	(2,025,940)	515,619
Total Capital Assets Not Being Depreciated	1,938,744	737,869	(2,025,940)	650,673
Capital Assets Being Depreciated:				
Buildings and Improvements	999,681	6,500	-	1,006,181
Parks and Improvements	1,852,816	2,046,326	(49,963)	3,849,179
Sidewalk Improvements	517,882	-	-	517,882
Vehicles	903,747	90,228	(86,233)	907,742
Machinery and Equipment	762,299	38,477	(6,970)	793,806
Furniture and Fixtures	27,270	-	-	27,270
Computers and Software	57,823	-	-	57,823
Infrastructure	1,071,773	32,224	-	1,103,997
Total Capital Assets Being Depreciated	6,193,291	2,213,755	(143,166)	8,263,880
Less Accumulated Depreciation for:				
Buildings and Improvements	679,183	28,312	-	707,495
Parks and Improvements	1,089,752	83,357	(49,767)	1,123,342
Sidewalk Improvements	419,156	17,716	-	436,872
Vehicles	878,775	31,432	(86,233)	823,974
Machinery and Equipment	619,488	38,493	(6,970)	651,011
Furniture and Fixtures	27,270	-	-	27,270
Computers and Software	50,224	2,975	-	53,199
Infrastructure	542,827	53,492	-	596,319
Total Accumulated Depreciation	4,306,675	255,777	(142,970)	4,419,482
Total Capital Assets Being Depreciated, Net	1,886,616	1,957,978	(196)	3,844,398
Lease Assets:				
Vehicles	238,782	153,921	(38,615)	354,088
Equipment	-	20,665	-	20,665
Total Lease Assets Being Amortized	238,782	174,586	(38,615)	374,753
Less Accumulated Amortization for:				
Vehicles	84,210	61,871	(38,615)	107,466
Equipment	-	3,444	-	3,444
Total Accumulated Amortization	84,210	65,315	(38,615)	110,910
Total Lease Assets Being Amortized , Net	154,572	109,271	-	263,843
Total Governmental Activities Capital Assets, Net	$ 3,979,932	$ 2,805,118	$ (2,026,136)	$ 4,758,914

Depreciation and amortization was charged to governmental functions as follows:

General Government	$ 24,302
Public Safety - Police Protection	59,631
Public Safety - Fire Protection	38,818
Public Works - Streets	88,619
Parks and Recreation	109,722
	$ 321,092

Governmental activities total capital assets, including lease assets, increased by $918,489 before depreciation expense of $255,777 and amortization expense of $65,315. This increase primarily relates to new lease agreements under GASB 87 treatment as well as other capital outlay. The right-of-use assets, lease assets, increased $135,971 primarily related to the GASB 87 recording of the leasing of three new vehicles and the lease of new police equipment which were partially offset by the termination of one vehicle lease. Capital assets increased $782,518 primarily related to $10,185 in construction in progress for the Old Courthouse Project and $2,025,940 in construction in progress for the Johnny Sartwell Park Project, with the total park project of $2,025,940 transferred to depreciable assets – park improvements in the current year. Other depreciable capital assets increased primarily related to capital outlay for street signs, police vehicles and fire equipment. These increases were partially offset by the disposal of park improvements and the sale of vehicles and equipment.

Capital assets and depreciation activity as of and for the year ended December 31, 2025 for business-type activities is as follows:

Business - Type Activities Capital Assets:	**Beginning Balance**	**Increases**	**Decreases**	**Ending Balance**
Capital Assets Not Being Depreciated:				
Land	$ 88,349	$ -	$ -	$ 88,349
Construction in Progress	2,299,683	3,313,034	(1,008,277)	4,604,440
Total Capital Assets Not Being Depreciated	2,388,032	3,313,034	(1,008,277)	4,692,789
Capital Assets Being Depreciated:				
Buildings and Improvements	384,814	-	-	384,814
Vehicles	221,969	-	-	221,969
Machinery and Equipment	414,132	-	-	414,132
Furniture and Fixtures	15,665	-	-	15,665
Computers and Software	90,857	-	-	90,857
Gas Utility System	611,725	4,595	-	616,320
Water Utility System	5,348,160	81,257	-	5,429,417
Sewer Utility System	15,619,792	1,106,693	-	16,726,485
Total Capital Assets Being Depreciated	22,707,114	1,192,545	-	23,899,659
Less Accumulated Depreciation for:				
Buildings and Improvements	168,885	12,928	-	181,813
Vehicles	190,361	17,225	-	207,586
Machinery and Equipment	227,863	30,990	-	258,853
Furniture and Fixtures	15,664	-	-	15,664
Computers and Software	40,676	11,126	-	51,802
Gas Utility System	440,006	11,562	-	451,568
Water Utility System	2,832,048	128,596	-	2,960,644
Sewer Utility System	5,485,927	372,905	-	5,858,832
Total Accumulated Depreciation	9,401,430	585,332	-	9,986,762
Total Capital Assets Being Depreciated, Net	13,305,684	607,213	-	13,912,897
Lease Assets:				
Vehicles	197,720	-	-	197,720
Machinery and Equipment	81,470	-	(81,470)	-
Total Lease Assets Being Amortized	279,190	-	(81,470)	197,720
Less Accumulated Amortization for:				
Vehicles	52,251	38,896	-	91,147
Machinery and Equipment	55,048	26,422	(81,470)	-
Total Accumulated Amortization	107,299	65,318	(81,470)	91,147
Total Lease Assets Being Amortized , Net	171,891	(65,318)	-	106,573
Total Business - Type Activities Capital Assets, Net	$ 15,865,607	$ 3,854,929	$ (1,008,277)	$ 18,712,259

Total capital assets for business-type activities increased by $3,415,832 before depreciation expense of $585,332 and amortization expense of $65,318. Capital assets increased primarily related to $2,699,990 in construction in progress for the Water Sector Project and $591,764 in construction in progress for the Satsuma Wastewater Treatment (Sewer) Project, with the total Satsuma project of $1,088,277 transferred to depreciable assets – sewer utility system in the current year. Other depreciable capital assets increased primarily related to other utility system improvements. The right-of-use assets, lease assets, decreased $81,470 primarily to the GASB 87 recording of the expiration of a lease on equipment in the current year.

9. Interfund Transfers –

The primary reason for transfers between the General Fund and the Enterprise Fund is to fund operating requirements per budget approvals. Interfund transfers for the year ending December 31, 2025 are as follows:

Interfund Transfers	Transfers In	Transfers Out
General Fund		
Enterprise Fund	$ 1,375,435	$ -
Enterprise Fund		
General Fund	-	1,375,435
Total Interfund Transfers	$ 1,375,435	$ 1,375,435

10. Accounts, Salaries, and Other Payables -

Fund payables at December 31, 2025 are as follows:

	General Fund	Enterprise Fund	Total
Accounts Payable	$ 47,746	$ 84,376	$ 132,122
Other Accrued Payables:			
Accrued Salaries	16,253	5,662	21,915
Other Payroll Liabilities	59,404	-	59,404
Unearned Revenue	72,102	-	72,102
Accrued Interest	-	176,208	176,208
Construction Payable	-	339,695	339,695
Retainage Payable	-	210,160	210,160
Other	939	10,172	11,111
	$ 196,444	$ 826,273	$ 1,022,717

11. Short-Term Debt -

The Town had no short-term debt outstanding at December 31, 2025, other than the current portion of revenue bonds payable, leases, and compensated absences.

12. Long-Term Obligations –

During the year ending December 31, 2022, the Town implemented GASB Statement No 87, Leases. The result of the implementation was the addition of leases greater than 12 months recorded as a right-of-use asset, categorized as a capital asset, along with a lease liability. The lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease liability is reduced as payments are made on the lease.

The following is a summary of long-term debt transactions for the year ended December 31, 2025:

	Governmental Activities			Business-Type Activities			
	Rev Bonds / Cert of Indebt.	Leases Payable	Compensated Absences	Rev Bonds / Cert of Indebt.	Leases Payable	Compensated Absences	Total Long-Term Debt
Beginning Balance	$ 2,225,000	$ 158,295	$ 37,795	$ 11,754,000	$ 181,587	$ 27,522	$ 14,384,199
Additions	-	155,038	366 *	-	-	13,554 *	168,958
Deletions	(95,000)	(72,531)	-	(227,000)	(66,901)	-	(461,432)
Total Debt	2,130,000	240,802	38,161	11,527,000	114,686	41,076	14,091,725
Less: Unamortized Premium (Discount)	35,778	-	-	165,229	-	-	201,007
Total Long-Term Debt	$ 2,165,778	$ 240,802	$ 38,161	$ 11,692,229	$ 114,686	$ 41,076	$ 14,292,732

* presented net

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of the long-term obligations:

	Governmental Activities			Business-Type Activities			
	Rev Bonds / Cert of Indebt.	Leases Payable	Compensated Absences	Rev Bonds / Cert of Indebt.	Leases Payable	Compensated Absences	Total Long-Term Obligations
Current Portion	$ 110,000	$ 61,742	$ 16,546	$ 237,000	$ 39,709	$ 18,393	$ 483,390
Long-Term Portion	2,020,000	179,060	21,615	11,290,000	74,977	22,683	13,608,335
	$ 2,130,000	$ 240,802	$ 38,161	$ 11,527,000	$ 114,686	$ 41,076	$ 14,091,725

The Town also has long term liabilities for net pension liability as of December 31, 2025; $739,070 in governmental activities and $216,917 in business type activities related to the Town’s retirement systems (see Note 14).

The general fund liquidates the obligations in governmental activities and the enterprise fund liquidates the obligations in the business-type activities.

Bonds Payable as of December 31, 2025 and are as follows:

	Bonds Payable End of Year	Due Within One Year
Governmental Activities:		
$2,225,000, Series 2024 Sales Tax Revenue Bonds Dated 8/29/2024, due in annual installments of principal ranging from $95,000 in 2024 to $195,000 in 2039 and thirty semiannual installments of interest averaging approximately $25,500 at rates of interest ranging from 3.5% to 5.0%	$ 2,130,000	$ 110,000
Business-Type Activities:		
$4,485,000, Series 2016 Utility Revenue Refunding Bonds Dated 8/10/2016, due in annual installments of principal ranging from $125,000 in 2017 to $265,000 in 2041 and sixty semiannual installments of interest averaging $48,043 at rates of interest ranging from 2.0% to 4.0%	$ 3,260,000	$ 150,000
$5,285,000, Series 2019 Utility Revenue Bonds Dated 8/10/2019, due in annual installments of principal ranging from $30,000 in 2020 to $500,000 in 2049 and sixty semiannual installments of interest averaging $62,970 at rates of interest ranging from 2.0% to 3.375%	4,915,000	80,000
$590,000, Series 2020 Utility Revenue Bonds Dated 6/17/2020, due in annual installments of principal ranging from $2,000 in 2022 to $523,000 in 2050 and sixty semiannual installments of interest averaging $8,300 at an interest rate of 3.0%	582,000	2,000
$1,775,000, Series 2023 Utility Revenue Bonds Dated 3/29/2023, due in annual installments of principal ranging from $2,000 in 2022 to $523,000 in 2050 and sixty semiannual installments of interest averaging approximately $18,000 at an interest rate of 4.5%	1,770,000	-
$1,000,000, Series 2024 Utility Revenue Bonds Dated 3/28/2024, due in annual installments of principal ranging from $5,000 in 2026 to final payment of $635,000 in 2054 and sixty semiannual averaging approximately $34,000 at rates of interest ranging from 4.0% to 4.375%	1,000,000	5,000
Toal Bonds Payable	$ 13,657,000	$ 347,000

The Town's lease obligations as of December 31, 2025 are as follows:

	Lease Payable End of Year	Due Within One Year
Governmental Activities		
In 2022, the Town entered into a Master Lease Agreement for the lease of several vehicles. The following vehicles are leased by the Town under this Master Lease agreement:		
In March 2022, the town took possession of a 2022 Chevy Tahoe commencing the lease on this vehicle. The first payment for March 2022 was prorated. Payments of $1,135.79 thereafter commenced April 2022 and continue for 36 months. The lease agreement on this vehicle also includes additional fees for maintenance not included in the monthly lease payment. The lease on this vehicle was terminated in 2025 and the gain of $15,815 applied to a new lease as noted below.	$ -	$ -
In November 2022, the town took possession of a 2022 Ford F-150 commencing the lease on this vehicle. The first payment for November 2022 was prorated. Payments of $625.98 thereafter commenced December 2022 and continue for 60 months. The lease agreement on this vehicle also includes additional fees not included in the monthly lease payment such as maintenance fees and mileage overage charge for miles over 40,000.	13,517	6,846
In July 2023, the town took possession of a 2023 Ford Expedition commencing the lease on this vehicle. The first payment for July 2023 was prorated. Payments of $1,063.30 thereafter commenced August 2023 and continue for 60 months. The lease agreement on this vehicle also includes additional fees not included in the monthly lease payment such as maintenance fees and mileage overage charge for miles over 50,000.	30,264	11,117
In February 2024, the town took possession of a 2023 Ford F-350 Chassis Dump Truck commencing the lease on this vehicle. The first payment for February 2024 was prorated. Payments of $1,138.55 thereafter commenced April 2024 and continue for 60 months. The lease agreement on this vehicle also includes additional fees not included in the monthly lease payment such as maintenance fees and mileage overage charge for miles over 50,000.	37,306	10,612
In April 2024, the town took possession of a 2023 Ford Expedition commencing the lease on this vehicle. The first payment for April 2024 was prorated. Payments of $962.83 thereafter commenced May 2024 and continue for 60 months. The lease agreement on this vehicle also includes additional fees not included in the monthly lease payment such as maintenance fees and mileage overage charge for miles over 75,000.	34,475	9,558
In May 2025, the town took possession of a 2025 Dodge Durango commencing the lease on this vehicle. A down payment of $3,305 was applied from the sale of a town vehicle. The first lease payment for May 2025 was prorated. Payments of $938.57 thereafter commenced June 2025 and continue for 60 months. The lease agreement on this vehicle also includes additional fees not included in the monthly lease payment such as maintenance fees.	41,293	7,592
In May 2025, the town took possession of a 2025 Dodge Durango commencing the lease on this vehicle. A down payment of $15,815 was applied from the termination of the 2022 Chevrolet Tahoe. The first lease payment for May 2025 was prorated. Payments of $615.05 thereafter commenced June 2025 and continue for 60 months. The lease agreement on this vehicle also includes additional fees not included in the monthly lease payment such as maintenance fees.	25,581	4,735
In June 2025, the town took possession of a 2025 Dodge Durango commencing the lease on this vehicle. The first payment for June 2025 was prorated. Payments of $918.31 thereafter commenced July 2025 and continue for 60 months. The lease agreement on this vehicle also includes additional fees not included in the monthly lease payment such as maintenance fees.	40,654	7,631
In 2025, the Town entered into a lease agreement for the lease of police equipment. Payments of $428.47 commenced in March 2025 and continue for 36 months.	17,712	3,651
Subtotal Governmental Activities	$ 240,802	$ 61,742

	Lease Payable End of Year	Due Within One Year
Business-Type Activities		
In 2022, the Town entered into a Master Lease Agreement for the lease of several vehicles. The following vehicles are leased by the Town under this Master Lease agreement:		
In December 2022, the town took possession of a 2022 Ford F-150 commencing the lease on this vehicle. The first payment for December 2022 was prorated. Payments of $559.37 thereafter commenced December 2022 and continue for 60 months. The lease agreement on this vehicle also includes additional fees not included in the monthly lease payment such as maintenance fees and mileage overage charge for miles over 40,000.	12,639	6,135
In December 2022, the town took possession of a 2022 Ford F-150 commencing the lease on this vehicle. The first payment for December 2022 was prorated. Payments of $557.72 thereafter commenced December 2022 and continue for 60 months. The lease agreement on this vehicle also includes additional fees not included in the monthly lease payment such as maintenance fees and mileage overage charge for miles over 50,000.	12,575	6,097
In November 2023, the town took possession of a 2023 Ford F-150 commencing the lease on this vehicle. The first payment for November 2023 was prorated. Payments of $871.14 thereafter commenced December 2023 and continue for 60 months. The lease agreement on this vehicle also includes additional fees not included in the monthly lease payment such as maintenance fees and mileage overage charge for miles over 50,000.	27,634	8,876
In January 2024, the town took possession of a 2023 Ford F-150 commencing the lease on this vehicle. The first payment for January 2024 was prorated. Payments of $614.44 thereafter commenced February 2024 and continue for 60 months. The lease agreement on this vehicle also includes additional fees not included in the monthly lease payment such as maintenance fees and mileage overage charge for miles over 50,000.	20,816	6,337
In January 2024, the town took possession of a 2024 Nissan Frontier commencing the lease on this vehicle. The first payment for January 2024 was prorated. Payments of $581.65 thereafter commenced February 2024 and continue for 60 months. The lease agreement on this vehicle also includes additional fees not included in the monthly lease payment such as maintenance fees and mileage overage charge for miles over 50,000.	19,582	5,955
In February 2024, the town took possession of a 2023 Ford F-150 commencing the lease on this vehicle. The first payment for January 2024 was prorated. Payments of $624.71 thereafter commenced February 2024 and continue for 60 months. The lease agreement on this vehicle also includes additional fees not included in the monthly lease payment such as maintenance fees and mileage overage charge for miles over 50,000.	21,440	6,309
Subtotal Business-Type Activities	114,686	39,709
Total Leases Payable	$ 355,488	$ 101,451

Lease expense for the year ending December 31, 2025 is as follows:

	Governmental Activities	Business-Type Activities
Lease Expense		
Amortization expense by class of underlying asset:		
Vehicle	$ 61,871	$ 38,895
Equipment	3,444	26,423
Total amortization expense	65,315	65,318
Interest on lease liabilities	19,316	9,543
Variable lease expense	-	-
Total	$ 84,631	$ 74,861

The annual requirements to amortize all debt outstanding in the governmental activities at December 31, 2025, are presented below. Remaining interest payments of $725,687 are included.

Year Ending	Series 2024 Revenue Bonds $2,225,000			Leases			Total Governmental Activities		
12/31/25	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2026	$ 110,000	$ 88,350	$ 198,350	$ 61,742	$ 19,358	$ 81,100	$ 171,742	$ 107,708	$ 279,450
2027	120,000	82,850	202,850	66,592	13,882	80,474	186,592	96,732	283,324
2028	125,000	76,850	201,850	60,057	8,215	68,272	185,057	85,065	270,122
2029	130,000	70,600	200,600	38,318	3,423	41,741	168,318	74,023	242,341
2030	135,000	64,100	199,100	14,093	384	14,477	149,093	64,484	213,577
2031 to 2035	775,000	227,550	1,002,550	-	-	-	775,000	227,550	1,002,550
2036 to 2040	735,000	70,125	805,125	-	-	-	735,000	70,125	805,125
	$ 2,130,000	$ 680,425	$ 2,810,425	$ 240,802	$ 45,262	$ 286,064	$ 2,370,802	$ 725,687	$ 3,096,489

The annual requirements to amortize all debt outstanding in the business-type activities at December 31, 2025, are presented below. Remaining interest payments of $7,379,073 are included.

Year Ending 12/31/25	Series 2016 Revenue Bonds $4,485,000 Principal	Interest	Total	Series 2019 Revenue Bonds $5,285,000 Principal	Interest	Total	Series 2020 Revenue Bonds $590,000 Principal	Interest	Total
2026	$ 150,000	$ 120,950	$ 270,950	$ 80,000	$ 159,263	$ 239,263	$ 2,000	$ 17,430	$ 19,430
2027	160,000	116,450	276,450	75,000	157,325	232,325	2,000	17,370	19,370
2028	165,000	111,650	276,650	75,000	155,450	230,450	2,000	17,310	19,310
2029	170,000	106,700	276,700	80,000	153,513	233,513	2,000	17,250	19,250
2030	175,000	99,900	274,900	85,000	151,238	236,238	2,000	17,190	19,190
2031 to 2035	990,000	388,700	1,378,700	445,000	717,278	1,162,278	10,000	85,050	95,050
2036 to 2040	1,185,000	141,750	1,326,750	530,000	642,325	1,172,325	12,000	83,490	95,490
2041 to 2045	265,000	10,600	275,600	1,640,000	487,181	2,127,181	15,000	81,375	96,375
2046 to 2050	-	-	-	1,905,000	131,372	2,036,372	535,000	71,325	606,325
2051 to 2055	-	-	-			-	-	-	-
	$ 3,260,000	$ 1,096,700	$ 4,356,700	$ 4,915,000	$ 2,754,945	$ 7,669,945	$ 582,000	$ 407,790	$ 989,790

Year Ending 12/31/25	Series 2023 Revenue Bonds $1,775,000 Principal	Interest	Total	Series 2024 Revenue Bonds $1,000,000 Principal	Interest	Total
2026	$ -	$ 79,650	$ 79,650	$ 5,000	$ 43,050	$ 48,050
2027	-	79,650	79,650	15,000	42,650	57,650
2028	-	79,650	79,650	15,000	42,050	57,050
2029	-	79,650	79,650	10,000	41,550	51,550
2030	-	79,650	79,650	10,000	41,150	51,150
2031 to 2035	15,000	395,888	410,888	55,000	199,650	254,650
2036 to 2040	15,000	392,963	407,963	60,000	187,731	247,731
2041 to 2045	10,000	389,588	399,588	75,000	173,359	248,359
2046 to 2050	20,000	386,223	406,223	75,000	156,953	231,953
2051 to 2055	1,710,000	117,675	1,827,675	680,000	100,188	780,188
	$ 1,770,000	$ 2,080,587	$ 3,850,587	$ 1,000,000	$ 1,028,331	$ 2,028,331

Year Ending 12/31/25	Leases Principal	Interest	Total	Total Business-Type Activities Principal	Interest	Total
2026	$ 39,709	$ 6,036	$ 45,745	$ 276,709	$ 426,379	$ 703,088
2027	42,246	3,498	45,744	294,246	416,943	711,189
2028	30,298	1,170	31,468	287,298	407,280	694,578
2029	2,433	16	2,449	264,433	398,679	663,112
2030	-	-	-	272,000	389,128	661,128
2031 to 2035	-	-	-	1,515,000	1,786,566	3,301,566
2036 to 2040	-	-	-	1,802,000	1,448,259	3,250,259
2041 to 2045	-	-	-	2,005,000	1,142,103	3,147,103
2046 to 2050	-	-	-	2,535,000	745,873	3,280,873
2051 to 2055	-	-	-	2,390,000	217,863	2,607,863
	$ 114,686	$ 10,720	$ 125,406	$ 11,641,686	$ 7,379,073	$ 19,020,759

13. Flow of Funds, Restrictions on Use

Enterprise Fund Bonds -

During the fiscal year ending December 31, 2011, all existing debt was refunded as part of the issuance of the $4,725,000 Series 2011 Utility Revenue Bond. The Series 2011 Utility Revenue Bonds provided funding for new construction and refunding of existing debt restated and presented for the final year of construction improvements.

$3,700,000 of this bond was pledged for construction. At December 31, 2025, all of the pledged funds for construction had been used for construction purposes, including $554,360 for construction period interest to date. Remaining uses of funds included $433,722 for refunding of the Series 2006 Certificates of Indebtedness, $310,204 to fully fund the Series 2011 Debt Reserve Fund, with the remaining $264,612 reserved for bond issuance costs.

During 2016, the Town issued $4,485,000 in Utility Systems Revenue Refunding Bonds, Series 2016 at a premium of $422,253 for the purpose of refunding the outstanding Series 2011 bonds which totaled $4,270,000 and paying the costs of issuance of the bonds. $4,749,662 of the bond proceeds and $310,204 of reserve funds were used to purchase U.S. government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for the 2018 to 2041 debt service payments on the 2016 utility revenue bonds. These bonds maturing August 1, 2022 and thereafter will be called on August 1, 2021 at a price equal to the principal amount thereof ($3,760,000) plus accrued interest to the call date. As a result, the $4,270,000 of Series 2011 revenue bonds were considered in-substance defeased and the liability for those bonds was removed from the Town's books at December 31, 2016.

The Series 2016 bonds are payable solely from and secured by an irrevocable pledge and dedication of the Town's revenues collected by the Town from the fees and service charges levied by the Town through its operation of the Sewer System, Waterworks System, and Natural Gas System, and such revenues, after the payment of all operation and maintenance expenses with respect to the Sewer System, Waterworks System, and Natural Gas System, and do not constitute an indebtedness or pledge of the general credit of the issuer within the meaning of any constitutional or statutory provision relating to the incurring of indebtedness.

Under the terms of the bond, a "Sinking Fund" must be maintained with the paying agent for the outstanding bonds, sufficient in amount to pay promptly and fully the principal of and the interest on the bonds. The Town must deposit funds into the sinking fund, on or before the twentieth (20^{th}) day of each month, a sum equal to one-sixth of the amount required to pay the interest payable and one-twelfth of the amount required to pay the principal due on the Bonds on the next payment date to the sinking fund each month. At December 31, 2025 the Sinking Fund was fully-funded at $128,983.

The Reserve Fund shall be held by the paying agent and used to receive funds in an amount, or a debt service reserve fund surety policy, which meets the Reserve Fund requirement. The deposits in the Reserve Fund shall be held in trust as security for the payment of principal and interest on the Bonds. The Town obtained a Municipal Bond Debt Service Reserve Insurance Policy at the time of the bond closing. This policy meets the Reserve Fund requirement; therefore, there is no Reserve Fund required.

On May 15, 2019, the Town issued $5,285,000 in Utility Systems Revenue Bonds, Series 2019 for the purpose of "financing the construction of a new sewage treatment plant and refurbishing the Town's existing sewage treatment plant to increase capacity; funding a debt service reserve fund with the purchase of a surety bond; financing the costs of issuance of the Bonds; and acquiring a municipal bond insurance policy. This Series was issued at a discount of $64,361.

The Series 2019 bonds are payable solely from and secured by an irrevocable pledge and dedication of the Town's revenues collected by the Town from the fees and service charges levied by the Town through its operation of the Sewer System, Waterworks System, and Natural Gas System, and such revenues, after the payment of all operation and maintenance expenses with respect to the Sewer System, Waterworks System, and Natural Gas System, and do not constitute an indebtedness or pledge of the general credit of the issuer within the meaning of any constitutional or statutory provision relating to the incurring of indebtedness.

Under the terms of the bond, a "Sinking Fund" must be maintained with the paying agent for the outstanding bonds, sufficient in amount to pay promptly and fully the principal of and the interest on the bonds. The Town must deposit funds into the sinking fund, on or before the twentieth (20th) day of each month, a sum equal to one-twelfth of the amount required to pay the interest payable and principal due on the Bonds on the next payment date to the sinking fund each month. At December 31, 2025 the Sinking Fund was fully-funded at $153,943.

The Reserve Fund will be initially funded with a surety bond provided by the Bond Insurer. The Underwriter has represented in the Issue Price Certificate that the establishment of the Reserve Fund in the amount thereof (the "Reserve Fund Amount") is reasonably required, in that the establishment of the Reserve Fund at the time of funding equal to the Reserve Fund Amount was a material factor in selling the Bonds at the lowest possible Yields. This policy meets the Reserve Fund requirement; therefore, there is no Reserve Fund required.

On June 17, 2020, the Town issued $590,000 in Utility Systems Revenue Bonds, Series 2020 for the purpose of "financing the construction of a new sewage treatment plant and refurbishing the Town's existing sewage treatment plant to increase capacity; funding a debt service reserve fund with the purchase of a surety bond; financing the costs of issuance of the Bonds; and acquiring a municipal bond insurance policy. This Series was issued at a discount of $14,756.

The Series 2020 bonds are payable solely from and secured by an irrevocable pledge and dedication of the Town's revenues collected by the Town from the fees and service charges levied by the Town through its operation of the Sewer System, Waterworks System, and Natural Gas System, and such revenues, after the payment of all operation and maintenance expenses with respect to the Sewer System, Waterworks System, and Natural Gas System, and do not constitute an indebtedness or pledge of the general credit of the issuer within the meaning of any constitutional or statutory provision relating to the incurring of indebtedness.

Under the terms of the bond, a "Sinking Fund" must be maintained with the paying agent for the outstanding bonds, sufficient in amount to pay promptly and fully the principal of and the interest on the bonds. Amounts deposited into the Sinking Fund which are required to pay a portion of the next maturing principal of and next due interest on the Bonds are expected to be deposited monthly (but not more than one year prior to such payment). At December 31, 2025 the Sinking Fund was fully-funded at $11,072.

The Reserve Fund will be initially funded with a surety bond provided by the Bond Insurer. The Underwriter has represented in the Issue Price Certificate that the establishment of the Reserve Fund in the amount thereof (the "Reserve Fund Amount") is reasonably required, in that the establishment of the Reserve Fund at the time of funding equal to the Reserve Fund Amount was a material factor in selling the

Bonds at the lowest possible Yields. This policy meets the Reserve Fund requirement; therefore, there is no Reserve Fund required.

On March 29, 2023, the Town issued $1,775,000 in Utility Revenue Bonds, Series 2023 for purpose of (i) financing the construction of extensions to the Town's existing waterworks system to increase capacity (collectively, the "'Improvement Projects"); (ii) funding a debt service reserve fund with the purchase of a surety bond; (iii) financing the costs of issuance of the Bonds; and (iv) acquiring a municipal bond insurance policy. The series was issued at a discount of $28,755.

The Series 2023 bonds are payable solely from and secured by an irrevocable pledge and dedication of the Town's revenues collected by the Town from the fees and service charges levied by the Town through its operation of the Utility Systems, after payment of the necessary costs to operate and maintain the Utility Systems. The Bonds were issued on par with the Series 2016, 2019 and 2020 Bonds.

Under the terms of the bond, all payments of principal and interest on the bonds are expected to be made from the Town's Sinking Fund established for the bonds. Amounts deposited into the Sinking Fund which are required to pay a portion of the next maturing principal of and next due interest on the Bonds are expected to be deposited monthly (but not more than one year prior to such payment). At December 31, 2025 the Sinking Fund was fully-funded at $38,353.

The Reserve Fund will be initially funded with a surety bond provided by the Bond Insurer. The Underwriter has represented in the Issue Price Certificate that the establishment of the Reserve Fund in the amount thereof (the "Reserve Fund Amount") is reasonably required, in that the establishment of the Reserve Fund at the time of funding equal to the Reserve Fund Amount was a material factor in selling the Bonds at the lowest possible Yields. This policy meets the Reserve Fund requirement; therefore, there is no Reserve Fund required.

On March 28, 2024, the Town issued $1,000,000 in Utility Revenue Bonds, Series 2024 for the purpose of (i) financing the construction of extensions to the Town's existing wastewater system to improve efficiency and restore capacity (collectively, the "Improvement Projects" *),* (ii) funding a debt service reserve fund with the purchase of a surety bond; (iii) financing the costs of issuance of the Bonds; and (iv) acquiring a municipal bond insurance policy. The series was issued at a discount of $10,399.

The Series 2024 bonds are payable solely from and secured by an irrevocable pledge and dedication of the Town's revenues collected by the Town from the fees and service charges levied by the Town through its operation of the Utility Systems, after payment of the necessary costs to operate and maintain the Utility Systems. The Bonds were issued on par with the Series 2016, 2019, 2020, and 2023 Bonds.

Under the terms of the bond, all payments of principal and interest on the bonds are expected to be made from the Town's Sinking Fund established for the bonds. Amounts deposited into the Sinking Fund which are required to pay a portion of the next maturing principal of and next due interest on the Bonds are expected to be deposited monthly (but not more than one year prior to such payment). At December 31, 2025 the Sinking Fund was fully-funded at $23,278.

The Reserve Fund will be initially funded with the purchase of a debt service reserve surety policy. This policy meets the Reserve Fund requirement; therefore, there is no Reserve Fund required.

The Town, through its Governing Authority, covenants to fix, establish, maintain and collect, so long as any principal and interest is unpaid on the Bonds, such Revenues in each Fiscal Year sufficient to (i) pay the reasonable and necessary Operation and Maintenance Expenses in each Fiscal Year; (ii) provide Pledged Revenues in an amount sufficient to make required payments and deposits established for the benefit of the Prior Bonds and maintained by the Ordinance for the payment of the principal and interest on the Bonds, the Prior Bonds and any Additional Parity Obligations issued hereafter; (iii) provide Pledged Revenues in an amount equal to at least one hundred twenty-five percent (125%) of the Maximum Annual Debt Service; (iv) make all other payments required by the Ordinance; and (v) pay all other obligations or indebtedness payable out of the Pledged Revenues for such Fiscal Year. The Issuer further covenants that such rates, fees, rents or other charges shall not at any time be reduced so as to be insufficient to provide adequate Pledged Revenues for such purposes. For the fiscal year ending December 31, 2025, Net Revenues were computed to be above the 125% threshold of the average annual debt service requirements on all bonds held outstanding for the system.

Total interest expense on all utility revenue bonds, for the fiscal year ending December 31, 2025, equaled $424,269. The gross utility systems revenue recognized in the current period was $3,168,216.

Governmental Activities Bonds –

On August 29, 2024, the Town issued $2,225,000 in Tax Revenue Bonds, Series 2024 for the purpose of, together with other moneys of the Issuer available therefor (i) acquiring, constructing and improving the turf and electrical lighting upgrades to recreational fields and other park improvements (the "*Project*"); (ii) funding a debt service reserve fund by paying the cost of a debt service reserve policy; and (iii) paying the costs of issuing the Bonds, including the premium for a bond insurance policy, under the authority conferred by the provisions of Section 1430 of Title 39 of the Louisiana Revised Statutes of 1950, as amended (the "*Act*"), and other constitutional and statutory authority, pursuant to all requirements therein specified and were specially authorized at an election held in the town, the result of which election has been duly promulgated in accordance with law. The series was issued at a premium of $39,268.

The Series 2024 bonds are payable solely from and secured by an irrevocable pledge and dedication of the net proceeds of the Issuer's one percent (1%) sales and use tax on the sale at retail, the use, the lease or rental, the consumption and storage for use or consumption of tangible personal property and on sales of services within the Town (the "Tax"), authorized pursuant to Ordinance No. #44 adopted on July 25, 1961, as amended and reenacted on August 20, 1992 (collectively, the "Sales Tax Ordinance").

Under the terms of the bond, all payments of principal and interest on the bonds are expected to be made from the Town's Sinking Fund established for the bonds. Amounts deposited into the Sinking Fund which are required to pay a portion of the next maturing principal of and next due interest on the Bonds are expected to be deposited. At December 31, 2025 the Sinking Fund was fully-funded at $85,707.

The Reserve Fund will be initially funded with the purchase of a debt service reserve surety policy. This policy meets the Reserve Fund requirement; therefore, there is no Reserve Fund required.

Total interest expense on the tax revenue bonds, for the fiscal year ending December 31, 2025, equaled $85,859. The gross sales tax revenue recognized in the current period was $990,196.

Continuing Disclosure Requirements

The Town is required under the continuing disclosure requirements in the bond covenants to submit annual financial information, including audited financial statements, to the Electronic Municipal Market Access system (EMMA). The Town's annual audit report for December 31, 2024 was not submitted by the required deadline. The deadline was June 30, 2025. The Town discovered the missing filing and has notified the trustee at the banking institution. It is expected that the report will be submitted by June 30, 2026. The District has not received written notice of default.

14. Retirement Systems -

Substantially all employees of the Town of Livingston are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana or Municipal Police Employees Retirement System of Louisiana.

The Town implemented Governmental Accounting Standards Board (GASB) Statement 68 on *Accounting and Financial Reporting for Pensions* and Statement 71 on *Pension Transition for Contributions Made Subsequent to the Measurement Date* –an amendment of GASB 68. These standards require the Town to record its proportional share of each of the pension plans' net pension liability and report the following disclosures:

A. Municipal Employee Retirement System of Louisiana (System)

Plan Description. The system is the administrator of a cost-sharing, multiple-employer public employee retirement systems (PERS), and is controlled and administered by a separate board of trustees. The System was established and provided for by R.S. 11:1731 of the Louisiana Revised Statutes (LRS). The System provides retirement benefits to employees of all incorporated villages, towns, and cities within the State which do not have their own retirement system and which elect to become members of the System.

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the System with exceptions as outlined in the statutes.

The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Any person eligible for membership whose first employment making him eligible for membership in the System occurred on or after January 1, 2013 shall become a member of the MERS Plan A Tier 2 or MERS Plan B Tier 2 of the System as a condition of employment. All employees of the Town are members of Plan B.

Retirement Benefits:
Benefit provisions are authorized within Act 356 of the 1954 regular session and amended by LRS 11:1756-11:1785. The following brief description is 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.

Any member of Plan B who commenced participation in the System prior to January 1, 2013 can retire providing he meets one of the following criteria:

1. Any age with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) or more years of creditable service.

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the member's monthly average final compensation multiplied by his years of creditable service. Final compensation is the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Any member of Plan B Tier 2 shall be eligible for retirement if he meets one of the following requirements:

1. Age 67 with seven (7) years of creditable service.
2. Age 62 with ten (10) years of creditable service.
3. Age 55 with thirty (30) years of creditable service.
4. Any age with twenty-five (25) years of creditable service, exclusive of military service and unused annual sick leave, with an actuarially reduced early benefit.

The monthly amount of the retirement allowance for any member of Plan B Tier 2 shall consist of an amount equal to two percent of the member's final compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits:
Upon death of any member of Plan B with five (5) or more years of creditable service, not eligible for normal retirement, the plan provides for benefits for the surviving spouse as outlined in the statutes.

Any member of Plan B who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

DROP Benefits:
In lieu of terminating employment and accepting a service retirement allowance, any member of Plan A or B who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. If a participant dies during the participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in the System.

Disability Benefits:
For Plan B, a member shall be eligible to retire and receive a disability benefit if he has at least ten years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of (1) an amount equal to two percent of his final compensation multiplied by his years of creditable service, but not less than thirty percent of his final compensation, or (2) an amount equal to what the member's normal retirement benefit would be based on the member's current final compensation, but assuming the member remained in continuous service until his earliest normal retirement age and using those retirement benefit computation factors which would be applicable to the member's normal retirement.

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

Deferred Benefits:
Both Plans provide for deferred benefits for members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement; benefits become payable. Benefits are based on statutes in effect at time of withdrawal.

The System has issued a stand-alone audit report on its financial statements for the year ended June 30, 2025. Access to the report can be found on the System's website, www.mersla.com, or on the Louisiana Legislative Auditor's website, www.lla.la.gov.

Funding Policy. Contributions for all members are established by statute. Under Plan B, members are required by state statute to contribute five percent of their earnable compensation and the Town of Livingston is required to contribute at an actuarially determined rate. For the year ended June 30, 2025 the rate was 14 percent of member's earnings. Contributions to the System also include one-fourth of one percent of the ad valorem taxes collected within the respective parishes, except Orleans. Tax monies are apportioned between Plan A and Plan B in proportion to salaries of plan participants. Tax monies received from East Baton Rouge Parish are apportioned between this system (the Municipal Employees' Retirement System) and the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge. The System also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income are used as additional employer contributions and considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense.

During the year ending December 31, 2025, the Town recognized revenue as a result of support received from non-employer contributing entities of $32,695 for its participation in MERS-Plan B.

The Town of Livingston's contributions to the System under Plan B for the years ending December 31, 2025 and 2024 were $113,572, and $119,121, respectively, equal to the required contributions for each year.

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 $404,998 for its proportionate share of the net pension liability of the System. 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 a projection of the Town's long-term share of contributions to the pension plan relative to the projected contribution of all participating, actuarially determined. At June 30, 2025, the Town's proportion was 0.847115%, which was an increase of 0.00503% from its proportion measured as of June 30, 2024.

For the year ended December 31, 2025, the Town recognized pension expense for the MERS System of $40,977 representing its proportionate share of the System's net expense, including amortization of deferred amounts.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (5,652)
Changes of assumptions	-	(9,567)
Net difference between projected and actual earnings on pension plan investments	-	(14,629)
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,527	(33,870)
Employer contributions subsequent to the measurement date	59,211	-
Total	$ 60,738	$ (63,718)

The Town reported a total of $59,211 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 expense as follows:

Year	
2026	$ (8,175)
2027	(25,559)
2028	(20,028)
2029	(8,429)
	$ (62,191)

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2025 is as follows:

Valuation Date	June 30, 2025
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	2 years
Investment Rate of Return	6.85% (net of pension plan investment expense, including inflation)
Inflation Rate	2.5%
Salary Increases, including inflation and merit increases	
-1 to 2 years of service	9.5% (Plan B)
-More than 2 years of service	4.6% (Plan B)
Annuitant and beneficiary mortality	PubG-2010(B) Healthy Retiree Table set equal to 115% for males and 120% for females, each adjusted using their respective male and female MP2021 scales.
Employee mortality	PubG-2010(B) Employee Table set equal to 115% for males and 120% for females, each adjusted using their respective male and female MP2021 scales.
Disabled lives mortality	PubNS-2010(B) Disabled Retiree Table set equal to 115% for males and 120% for females with the full generational MP2021 scale.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2025 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public Equity	53%	2.31%
Public Fixed Income	29%	1.26%
Alternatives	18%	0.78%
Totals	100%	4.35%
Inflation		2.50%
Expected Arithmetic Nominal Rate		6.85%

The discount rate used to measure the total pension liability was 6.85% for the year ended June 30, 2025, which was no change from the discount rate used to measure the total pension liability for the year ended of June 30, 2024. 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, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the participating employers calculated using the discount rate of 6.85%, 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, or one percentage point higher than the current rate as of June 30, 2025:

	1% Decrease	Current Discount Rate	1% Increase
Rates	5.85%	6.85%	7.85%
Town of Livingston Share of NPL	$ 698,619	$ 404,998	$ 156,777

B. Municipal Police Employees Retirement System of Louisiana (System)

Plan Description. The System is a cost-sharing multiple-employer defined benefit pension plan established by Act 189 of 1973 to provide retirement, disability, and survivor benefits to municipal police officers in Louisiana.

Membership 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 arrest, providing he or she does not have to pay social security and providing he or she meets the statutory criteria.

Retirement Benefits:
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 was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 40% to 60% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives benefits equal to 10% of the member's average final compensation or $200 per month, whichever is greater.

Membership Commencing January 1, 2013: Member eligibility for regular retirement, early retirement, disability and survivor benefits is 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 3% and 2½%, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statues, the benefits range from 25% to 55% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives 10% of average final compensation or $200 per month whichever is greater. If deceased member had less than 10 years of service, beneficiary will receive a refund of employee contributions only.

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

No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

A COLA may only be granted if funds are available from interest earnings in excess of normal requirements, as determined by the actuary.

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 the application 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 36 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 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 and earn interest at the money market rate.

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.

The System issued a stand-alone audit report on its financial statements for the year ended June 30, 2025. Access to the audit report can be found on the System's website: www.lampers.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

Funding Policy. 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 were 45.60%. The employer and employee contribution rates for members hired prior to January 1, 2013 and Hazardous Duty members hired after January 1, 2013 were 35.60% and 10%, respectively. The employer and employee contribution rates for all Non-Hazardous Duty members hired after January 1, 2013 were 35.60% and 8%, respectively. The employer and employee contribution rates for members whose earnable compensation is less than or equal to poverty guidelines issued by the U.S. Department of Health and Human Services were 38.10% and 7.5%, respectively.

The System also receives insurance premium tax monies as additional employer contributions. This tax is appropriated by the legislature each year based on an actuarial study. This additional source of income is used as additional employer contributions and considered support from non-employer contributing entities, but is not considered a special funding situation. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2025.

During the year ending December 31, 2025, the Town recognized revenue as a result of support received from non-employer contributing entities of $23,663 for its participation in MPERS.

The Town of Livingston contributions to the System for the years ending December 31, 2025 and 2024 were $92,367and $107,448, respectively. Contributions through the measurement date June 30, 2025 for the year ending December 31, 2025 and December 31, 2024 equaled the required contributions for the year.

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 $550,989 for its proportionate share of the net pension liability of the System. 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 a projection of the Town's long-term share of contributions to the pension plan relative to the projected contribution of all participating, actuarially determined. At June 30, 2025, the Town's proportion was 0.079783%, which was an decrease of 0.007166% from its proportion measured as of June 30, 2024.

For the year ended December 31, 2025, the Town recognized pension expense for the MPERS System of $69,175 representing its proportionate share of the System's net expense, including amortization of deferred amounts.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 26,716	$ (14,577)
Changes of assumptions	-	(25,306)
Net difference between projected and actual earnings on pension plan investments	-	(43,402)
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,393	(46,529)
Employer contributions subsequent to the measurement date	42,165	-
Total	$ 76,274	$ (129,814)

The Town reported a total of $42,165 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 expense as follows:

Year	
2026	$ 34,882
2027	(60,295)
2028	(52,108)
2029	(18,184)
	$ (95,705)

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2025 is 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	2.50%
Salary increases, including inflation and merit	

1-2 years of service	13%
Over 2 years of service	4.75%
Mortality	For annuitants and beneficiaries, the Pub-2016 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 125% for males and females, each with full generational projection using the MP2021 scale was used. For disabled lives, the Pub-2016 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 125% for males and females, each with full generational projection using the MP2021 scale was used. For employees, the Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 125% for males and females, each with full generational projection using the MP2021 scale was used.
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2019 through June 30, 2024. A change was made to full generational mortality which combines the use of a base mortality table with appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combined with a standard table to produce current levels of mortality.

The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long-term rate of return is 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 asset allocation as of June 30, 2025 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Equity	51.00%	3.20%
Fixed Income	35.00%	1.21%
Alternatives	14.00%	1.04%
Totals	100.00%	5.45%
Inflation		2.67%
Expected Arithmetic Rate		8.12%

The discount rate used to measure the total pension liability was 6.75% for the year ended June 30, 2025, which was no change from the discount rate used to measure the total pension liability for the year ended of June 30, 2024. 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 of the Employer's Proportionate Share of the Net Pension Liability to Changes in the 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, or one percentage point higher than the current rate as of June 30, 2025:

	1% Decrease	Current Discount Rate	1% Increase
Rates	5.750%	6.750%	7.750%
Town of Livingston Share of NPL	$ 903,810	$ 550,989	$ 255,515

15. Restricted Fund Balances/Net Position -

At December 31, 2025, the General Fund had nonspendable fund balance of $38,775 created from prepaid expenses and restricted fund balance of $501,268 representing fund balance restricted by revenue bond debt covenants.

At December 31, 2025, the proprietary fund and the business-type activities in the government-wide financial statements had restricted net position of $380,564, representing the Town's fund balance restricted by revenue bond debt covenants and contracts with customers for meter deposits and impact fees, net of the related liability.

16. Risk Management -

The Town is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, injuries, natural disasters, and many other unforeseeable events. The Town purchases commercial insurance policies and bonds for any and all claims related to the aforementioned risks. The Town's payment of the insurance policy deductible is the only liability associated with these policies and bonds. There has been no significant decrease in insurance coverage from the prior year, and the amount of settlements has not exceeded the insurance coverage for the past three fiscal years.

17. Contingent Liabilities -

At December 31, 2025, the Town was not involved in any outstanding litigation warranting accrual.

18. On-Behalf Payments for Fringe Benefits and Salaries -

For the fiscal year ended December 31, 2025, the State of Louisiana made on behalf payments in the form of supplemental pay to the Town's policemen and the fire chief. In accordance with Section N50 of the GASB Codification, the Town recorded $31,900 of on behalf payments as revenue and as expenditures in the General Fund.

19. Fire Insurance Rebate -

The Town maintains an active certified volunteer fire department as defined by Louisiana R. S. 22:1580 and is eligible for and receives a pro rata share of the fire insurance tax collected by the State. The amounts received by the fire department are based on the population in the Town and unincorporated areas that it serves. In accordance with the Revised Statutes, such money shall be used only for the purpose of rendering more efficient and efficacious the active volunteer fire department as the Town shall direct.

20. Oil, Gas, and Mineral Lease -

On January 4, 1983, the Town leased all of its lands, streets, alleys, public ways and places containing 141.60 acres, more or less to Callon Petroleum Company (high bidder) of Natchez, Mississippi, for the purpose of exploring by any method, including but not limited to, geophysical and geological exploration for formations of structures and prospecting and drilling for, mining, and producing sulfur, potash, oil, gas and any other liquid or gaseous hydrocarbon minerals.

The rights herein granted are limited as to depth and said rights extend only from the surface of the earth to 100 feet below the base of the Wilcox formation, or its stratigraphic equivalent. All rights for minerals lying below said depth to the center of the earth are expressly reserved to the lessor.

The Town's 25 percent royalty rights under the above lease are currently assigned to TMR Exploration, Inc. During the fiscal year ending December 31, 2025, the Town of Livingston recorded $2,914 in royalty income. The royalties received under the oil, gas, and mineral leases are reported in the Town's general fund.

21. Construction Commitments -

In 2010, the Town entered in a $37,238 agreement with Alvin Fairburn and Associates for engineering costs related to the Sidewalk project. As of the current fiscal year end, $23,274 in engineering costs had been incurred and capitalized. The amount remaining commitment on the engineering contract at the fiscal year end is $13,964. The construction contract of this project will be bid and awarded in future years.

In July 2022, the Town entered in an agreement with Alvin Fairburn and Associates for professional services costs related to the Livingston Water Sector Program -Water Tower and Consolidation Project, which included primarily engineering, survey and inspection services. The agreement for costs equaled $682,000. As of the current fiscal year end, $532,800 in costs had been incurred and capitalized in the enterprise fund and business-type activities. The remaining commitment amount on the contract at the fiscal year end is $149,200.

In January 2024, the Town entered in an agreement with Phoenix Fabricators and in April 2024, approved a change order for construction costs related to the Livingston Water Sector Program -Water Tower and Consolidation part of the project. The agreement costs after change order equaled $2,352,852. As of the current fiscal year end, $1,652,790 in costs had been incurred and capitalized in the enterprise fund and business-type activities. The remaining commitment amount on the contract at the fiscal year end is $700,062.

In February 2025, the Town entered in an agreement with Layne Christenses Company for construction costs related to the Livingston Water Sector Program -Water Supply Well and Chlorination System part of the project. The agreement costs after change order equaled $3,010,922. As of the current fiscal year end, $2,026,064 in costs had been incurred and capitalized in the enterprise fund and business-type activities. The remaining commitment amount on the contract at the fiscal year end is $984,858.

In February 2023, the Town entered in an agreement with Kern Architects, LLC for professional services costs related to the renovation of the old Livingston courthouse which included primarily engineering and architectural services for phase I. The agreement for costs is 8.52% of total construction cost budget which is currently calculated as $208,089. As of the current fiscal year end, $141,885 in costs had been incurred in the general fund and capitalized in the governmental activities. The remaining commitment amount on the contract at the fiscal year end is $66,204.

In 2024, the Town entered in an agreement with Kern Architects, LLC for professional services costs related to the renovation of the old Livingston courthouse which included primarily engineering and architectural services for phase II. The agreement for costs is 8.25% of total construction cost budget which is currently calculated as $305,863. As of the current fiscal year end, $22,940 in costs had been incurred in the general fund and capitalized in the governmental activities. The remaining commitment amount on the contract at the fiscal year end is $282,923.

22. **Subsequent Events –**

During 2025, the Town entered into a $2,449,000 contract for renovation of the old courthouse and began incurring costs subsequent to year end. Subsequent events have been evaluated by management through June 22, 2026, the date the financial statements were available to be issued and these financial statements considered subsequent events through such date. No other events were noted that require recording or disclosure in the financial statements for the fiscal year ending December 31, 2025.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

Schedule 1

TOWN OF LIVINGSTON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND - SUMMARY

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual Amounts	Variance Favorable
	Original	**Final**	**GAAP Basis**	**(Unfavorable)**
Revenues:				
Taxes	$ 1,150,000	$ 1,278,000	$ 1,272,382	$ (5,618)
Licenses and Permits	222,000	269,000	269,072	72
Sanitation Fees	280,000	294,000	288,955	(5,045)
Fines and Forfeitures	75,000	95,000	97,510	2,510
Intergovernmental - Grants	2,838,000	398,400	381,643	(16,757)
Intergovernmental - Other	246,600	54,525	121,996	67,471
Interest	55,000	35,000	70,350	35,350
Parks and Recreation	350,000	406,000	408,774	2,774
Miscellaneous	4,500	8,740	10,475	1,735
Total Revenues	5,221,100	2,838,665	2,921,157	82,492
Expenditures:				
General Government	905,000	867,950	827,494	40,456
Public Safety:				
Police	594,600	657,800	594,780	63,020
Fire	105,000	117,500	110,692	6,808
Streets	320,500	288,100	274,449	13,651
Sanitation	265,000	303,000	290,201	12,799
Recreation	615,000	437,500	433,147	4,353
Capital Outlays - Total	3,055,000	1,422,750	1,100,270	322,480
Debt Service:				
Principal	75,000	196,400	163,921	32,479
Interest	-	102,000	104,356	(2,356)
Total Expenditures	5,935,100	4,393,000	3,899,310	493,690
Excess Revenues (Expenditures)	(714,000)	(1,554,335)	(978,153)	576,182
Other Financing Sources (Uses)				
Operating Transfers In	714,000	1,375,435	1,375,435	-
Sale of Fixed Assets	-	4,900	8,971	4,071
Lease Proceeds	-	174,000	174,586	586
Total Other Financing Sources (Uses)	714,000	1,554,335	1,558,992	4,657
Net Change in Fund Balances	-	-	580,839	580,839
Fund Balances, Beginning	1,706,103	1,838,135	1,838,135	-
Fund Balances, Ending	$ 1,706,103	$ 1,838,135	$ 2,418,974	$ 580,839

See independent auditor's report.

Schedule 2

TOWN OF LIVINGSTON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND - DETAIL

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual Amounts	Variance Favorable
Revenues	**Original**	**Final**	**GAAP Basis**	**(Unfavorable)**
Taxes:				
Ad Valorem	$ 70,000	$ 91,000	$ 70,398	$ (20,602)
Franchise Taxes	200,000	213,000	211,788	(1,212)
Sales Taxes	880,000	974,000	990,196	16,196
Total Taxes	1,150,000	1,278,000	1,272,382	(5,618)
Licenses and Permits:				
Beer Permits	7,000	9,000	6,600	(2,400)
Building Licenses	15,000	38,000	40,714	2,714
Business Licenses	200,000	222,000	221,758	(242)
Total Licenses and Permits	222,000	269,000	269,072	72
Intergovernmental - Other:				
Chiefs Supplemental Pay	3,600	3,600	3,600	-
Livingston Parish Fire Protection District 12	50,000	-	55,622	55,622
Louisiana Fire Insurance Rebate	15,000	15,775	15,772	(3)
Louisiana Highway Maintenance	-	2,350	2,350	-
Louisiana Alcoholic Beverage Tax	10,000	5,500	6,352	852
Recreation District 5	125,000	-	-	-
State Supplemental Pay	43,000	27,300	28,300	1,000
Other Local	-	-	10,000	10,000
Total Intergovernmental -Other	246,600	54,525	121,996	67,471
Intergovernmental - Grants:				
State Grants	100,000	115,600	74,567	(41,033)
Federal Grants	2,738,000	282,800	307,076	24,276
Total Intergovernmental - Grants	2,838,000	398,400	381,643	(16,757)
Other Revenues:				
Court Fees	1,000	200	188	(12)
Donations	-	-	-	-
Fines and Forfeitures	75,000	95,000	97,510	2,510
Fire Department	-	40	40	-
Interest	55,000	35,000	70,350	35,350
Other Miscellaneous Income	1,000	5,500	7,333	1,833
Oil, Gas, and Mineral Royalties	2,500	3,000	2,914	(86)
Parks and Recreation	350,000	406,000	408,774	2,774
Sanitation Fees	280,000	294,000	288,955	(5,045)
Total Other Revenues	764,500	838,740	876,064	37,324
Total Revenues	5,221,100	2,838,665	2,921,157	82,492

(CONTINUED)

Schedule 2

TOWN OF LIVINGSTON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND - DETAIL (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual Amounts	Variance Favorable
Expenditures	**Original**	**Final**	**GAAP Basis**	**(Unfavorable)**
General Government:				
Salaries:				
Mayor and Aldermen	112,000	109,000	108,726	274
Town Clerk	70,000	64,300	64,396	(96)
Court Clerk	3,000	3,000	2,442	558
Part-Time Office	122,000	121,500	121,734	(234)
Benefits:				
Health Insurance (All Departments)	67,000	70,000	68,320	1,680
Retirement (All Departments, Except Police)	65,000	65,500	64,714	786
Payroll Taxes (All Departments)	81,000	78,000	71,236	6,764
Unemployment (All Departments)	2,000	2,000	1,876	124
Insurance:				
Insurance (All Departments)	12,000	15,500	13,564	1,936
Workers Compensation (All Departments)	35,000	61,000	55,466	5,534
Natural Disaster Expenditures	-	8,950	9,467	(517)
Other Expenditures:				
Advertising	3,000	500	500	-
Dues, Subscriptions, and Meeting	20,000	30,000	31,696	(1,696)
Miscellaneous	35,000	24,000	19,955	4,045
Professional Fees	160,000	163,000	143,894	19,106
Repairs and Maintenance	91,000	25,000	22,830	2,170
Supplies:				
Office Expenditures	20,000	22,000	22,406	(406)
Telephone	7,000	4,700	4,272	428
Total General Government	905,000	867,950	827,494	40,456
Public Safety:				
Police:				
Salaries	341,600	328,300	313,168	15,132
Benefits:				
Retirement	172,000	165,000	161,096	3,904
Insurance	34,000	51,500	42,718	8,782
Other Expenditures	5,000	26,000	23,999	2,001
Supplies	5,000	19,000	7,795	11,205
Vehicle Expenditures:				
Automobile Expenditures	10,000	37,000	18,766	18,234
Fuel	27,000	31,000	27,238	3,762
Total Police	594,600	657,800	594,780	63,020
Fire:				
Salaries	35,000	39,000	37,274	1,726
Insurance	30,000	32,500	29,790	2,710
Other Expenditures	40,000	46,000	43,628	2,372
Total Fire	105,000	117,500	110,692	6,808
Total Public Safety	699,600	775,300	705,472	69,828

(CONTINUED)

Schedule 2

TOWN OF LIVINGSTON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND - DETAIL (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual Amounts	Variance Favorable
	Original	Final	GAAP Basis	(Unfavorable)
Highways and Streets:				
Salaries	68,000	108,000	106,382	1,618
Benefits	4,000	10,000	12,548	(2,548)
Insurance	15,000	12,000	9,863	2,137
Equipment Operating Expenditures	25,000	10,500	9,339	1,161
Miscellaneous	124,000	104,000	95,452	8,548
Uniform Expense	2,500	-	-	-
Repairs and Maintenance	10,000	3,100	3,100	-
Supplies	40,000	8,000	8,071	(71)
Utilities - Street Lights	32,000	32,500	29,694	2,806
Total Highways and Streets	320,500	288,100	274,449	13,651
Sanitation:				
Collection Fees	265,000	303,000	290,201	12,799
Total Sanitation	265,000	303,000	290,201	12,799
Recreation:				
Salaries	130,000	172,000	169,373	2,627
Benefits	16,000	17,000	17,087	(87)
Insurance	6,000	8,500	8,013	487
Other Operating	-	-	120	(120)
Other Program Expenditures	150,000	205,000	208,548	(3,548)
Repairs and Maintenance	288,000	15,000	9,944	5,056
Utilities	25,000	20,000	20,062	(62)
Total Recreation	615,000	437,500	433,147	4,353
Capital Outlays:				
General Government	2,510,000	42,000	10,185	31,815
Public Safety - Police Protection	-	305,250	264,814	40,436
Public Safety - Fire Protection	25,000	46,000	44,977	1,023
Public Works - Streets	20,000	23,500	32,224	(8,724)
Recreation	500,000	1,006,000	748,070	257,930
Total Capital Outlays	3,055,000	1,422,750	1,100,270	322,480

(CONTINUED)

TOWN OF LIVINGSTON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND - DETAIL (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual Amounts	Variance Favorable
	Original	Final	GAAP Basis	(Unfavorable)
Debt Service:				
Principal:				
Leases:				
General Government - Mayor	14,000	13,500	10,418	3,082
Public Safety - Police Cars	27,000	58,000	42,414	15,586
Public Safety - Fire Dept. Vehicles	8,000	7,300	6,424	876
Streets - Truck and Tractor	26,000	22,600	9,665	12,935
Bonds:				
General Government	-	95,000	95,000	-
Total Principal Payments	75,000	196,400	163,921	32,479
Interest:				
Leases				
General Government - Mayor	-	-	2,341	(2,341)
Public Safety -Police Cars	-	11,000	11,070	(70)
Public Safety - Fire Dept. Vehicles	-	1,000	1,088	(88)
Streets - Truck and Tractor	-	-	3,998	(3,998)
Bonds:				
General Government	-	90,000	85,859	4,141
Total Interest Payments	-	102,000	104,356	(2,356)
Total Expenditures	5,935,100	4,393,000	3,899,310	493,690
Excess Revenues (Expenditures)	(714,000)	(1,554,335)	(978,153)	576,182
Other Financing Sources (Uses)				
Operating Transfers In	714,000	1,375,435	1,375,435	-
Sale of Fixed Assets	-	4,900	8,971	4,071
Bond Proceeds	-	-	-	-
Lease Proceeds	-	174,000	174,586	586
Total Other Financing Sources (Uses)	714,000	1,554,335	1,558,992	4,657
Net Change in Fund Balances	-	-	580,839	580,839
Fund Balances, Beginning	1,706,103	1,838,135	1,838,135	-
Fund Balances, Ending	$ 1,706,103	$ 1,838,135	$ 2,418,974	$ 580,839

See independent auditor's report.

Schedule 3.1

TOWN OF LIVINGSTON

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - MERS PLAN B

LAST 10 FISCAL YEARS*

Municipal Employees' Retirement System

	Employer's Proportion of the Net Pension Liability (Assets)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Position Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.725574%	$ 601,434	$ 539,127	111.556949%	62.110276%
2017	0.798132%	$ 690,570	$ 592,412	116.569212%	63.490937%
2018	0.830570%	$ 702,523	$ 615,508	114.137103%	63.940612%
2019	0.834954%	$ 730,429	$ 638,294	114.434571%	66.138800%
2020	0.910476%	$ 825,097	$ 705,591	116.937007%	66.260700%
2021	0.928871%	$ 538,103	$ 714,615	75.299707%	79.136289%
2022	0.964655%	$ 846,951	$ 775,551	109.206358%	69.555565%
2023	0.989812%	$ 793,691	$ 853,777	92.962331%	73.253562%
2024	0.842085%	$ 510,955	$ 767,092	66.609351%	80.099880%
2025	0.847115%	$ 404,998	$ 810,461	49.971313%	84.905946%

* The amounts presented for each fiscal year were determined as of 6/30 within the fiscal year.

See independent auditor's report.

TOWN OF LIVINGSTON

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - MPERS

LAST 10 FISCAL YEARS*

Municipal Police Employees' Retirement System

	Employer's Proportion of the Net Pension Liability (Assets)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Position Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.062740%	$ 588,051	$ 175,749	334.596135%	66.0422%
2017	0.061000%	$ 532,556	$ 157,520	338.087862%	70.0815%
2018	0.062926%	$ 531,980	$ 191,338	278.031546%	71.8871%
2019	0.076028%	$ 690,462	$ 237,425	290.812678%	71.0078%
2020	0.085250%	$ 744,239	$ 248,719	299.228849%	70.9450%
2021	0.070610%	$ 376,390	$ 215,421	174.722984%	84.0881%
2022	0.085234%	$ 871,243	$ 276,642	314.935187%	70.7991%
2023	0.085208%	$ 900,220	$ 288,651	311.871430%	71.3030%
2024	0.086946%	$ 787,727	$ 306,499	257.008016%	75.8402%
2025	0.079783%	$ 550,989	$ 299,088	184.223038%	81.9406%

* The amounts presented for each fiscal year were determined as of 6/30 within the fiscal year.

See independent auditor's report.

Schedule 4.1

TOWN OF LIVINGSTON

SCHEDULE OF THE TOWN'S CONTRIBUTIONS - MERS PLAN B

FOR THE YEAR ENDED DECEMBER 31, 2025

Municipal Employees' Retirement System

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2016	$ 57,496	$ 57,496	$ -	$ 553,820	10.3817%
2017	74,408	74,408	-	613,474	12.1290%
2018	84,296	84,296	-	618,608	13.6267%
2019	93,171	93,171	-	665,505	14.0000%
2020	109,216	109,099	117	740,181	14.7395%
2021	113,073	113,073	-	729,505	15.5000%
2022	125,960	125,960	-	812,647	15.5000%
2023	125,390	125,390	-	808,967	15.5000%
2024	119,121	119,121	-	809,375	14.7177%
2025	113,572	113,572	-	826,890	13.7348%

See independent auditor's report.

Schedule 4.2

TOWN OF LIVINGSTON

SCHEDULE OF THE TOWN'S CONTRIBUTIONS - MPERS

FOR THE YEAR ENDED DECEMBER 31, 2025

Municipal Police Employees' Retirement System

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Payroll
2016	$ 54,388	$ 54,388	$ -	$ 176,302	30.8493%
2017	56,569	56,569	-	180,955	31.2614%
2018	66,040	66,040	-	210,648	31.3509%
2019	79,725	79,725	-	246,261	32.3742%
2020	82,259	82,259	-	248,418	33.1131%
2021	71,507	69,479	2,028	226,826	30.6310%
2022	87,586	87,258	328	287,497	30.3508%
2023	100,519	100,519	-	308,336	32.6004%
2024	107,448	107,448	-	308,918	34.7821%
2025	92,367	92,367	-	266,975	34.5976%

See independent auditor's report.

Pension Plan Schedules - Municipal Employees' Retirement System

A. Changes of Benefit Terms

There were no changes in benefit terms during any of the years presented.

B. Changes of Assumptions

Fiscal Year Ended December 31,	Measurement Date - June 30,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase
2016	2016	7.500%	7.500%	2.875%	4	5.00%
2017	2017	7.400%	7.400%	2.775%	4	5.00%
2018	2018	7.275%	7.275%	2.600%	3	5.00%
2019	2019	7.000%	7.000%	2.500%	3	7.40% for 1-4 years of service; 4.90% for more than 4 years of service
2020	2020	6.950%	6.950%	2.500%	3	7.40% for 1-4 years of service; 4.90% for more than 4 years of service
2021	2021	6.850%	6.850%	2.500%	3	7.40% for 1-4 years of service; 4.90% for more than 4 years of service
2022	2022	6.850%	6.850%	2.500%	3	7.40% for 1-4 years of service; 4.90% for more than 4 years of service
2023	2023	6.850%	6.850%	2.500%	3	7.40% for 1-4 years of service; 4.90% for more than 4 years of service
2024	2024	6.850%	6.850%	2.500%	3	9.5% for 1-2 years of service; 4.60% for more than 2 years of service
2025	2025	6.850%	6.850%	2.500%	2	9.5% for 1-2 years of service; 4.60% for more than 2 years of service

Additionally, the following mortality tables were used to develop mortality rates:

Fiscal Year Ended December 31,	Measurement Date - June 30,	Mortality
2016	2016	RP-2000 Healthy Annuitant Sex Distinct Mortality Tables set forward 2 years for males and set forward 1 year for females projected to 2028 using scale AA for annuitants and beneficiaries; RP-2000 Employees Sex Distinct Table set back 2 years for both males and females for employees; RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females for disabled annuitants.
2017	2017	RP-2000 Healthy Annuitant Sex Distinct Mortality Tables set forward 2 years for males and set forward 1 year for females projected to 2028 using scale AA for annuitants and beneficiaries; RP-2000 Employees Sex Distinct Table set back 2 years for both males and females for employees; RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females for disabled annuitants.
2018	2018	RP-2000 Healthy Annuitant Sex Distinct Mortality Tables set forward 2 years for males and set forward 1 year for females projected to 2028 using scale AA for annuitants and beneficiaries; RP-2000 Employees Sex Distinct Table set back 2 years for both males and females for employees; RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females for disabled annuitants.
2019	2019	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for annuitants and beneficiaries; PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for employees; PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scales for disabled annuitants.
2020	2020	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for annuitants and beneficiaries; PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for employees; PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scales for disabled annuitants.
2021	2021	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for annuitants and beneficiaries; PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for employees; PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scales for disabled annuitants.
2022	2022	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for annuitants and beneficiaries; PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for employees; PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scales for disabled annuitants.
2023	2023	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for annuitants and beneficiaries; PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for employees; PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scales for disabled annuitants.
2024	2024	PubG-2010(B) Healthy Retiree Table set equal to 115% for males and females, each adjusted using their respective male and female MP2021 scales for annuitants and beneficiaries; PubG-2010(B) Employee Table set equal to 115% for males and 120% for females, each adjusted using their respective male and female MP2021 scales for employees; PubNS-2010(B) Disabled Retiree Table set equal to 115% for males and 120% for females with the full generational MP2021 scales for disabled annuitants.
2025	2025	PubG-2010(B) Healthy Retiree Table set equal to 115% for males and 120% for females, each adjusted using their respective male and female MP2021 scales for annuitants and beneficiaries; PubG-2010(B) Employee Table set equal to 115% for males and 120% for females, each adjusted using their respective male and female MP2021 scales for employees; PubNS-2010(B) Disabled Retiree Table set equal to 115% for males and 120% for females with the full generational MP2021 scales for disabled annuitants.

See independent auditor's report.

Pension Plan Schedules - Municipal Police Employees' Retirement System

A. Changes of Benefit Terms

There were no changes in benefit terms during any of the years presented.

B. Changes of Assumptions

Fiscal Year Ended December 31,	Measurement Date - June 30,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase
2016	2016	7.500%	7.500%	2.875%	4	9.75% for 1-2 years of service; 4.75% for 3-23 years of service; 4.25% for over 23 years of service
2017	2017	7.325%	7.325%	2.700%	4	9.75% for 1-2 years of service; 4.75% for 3-23 years of service; 4.25% for over 23 years of service
2018	2018	7.200%	7.200%	2.600%	4	9.75% for 1-2 years of service; 4.75% for 3-23 years of service; 4.25% for over 23 years of service
2019	2019	7.125%	7.125%	2.500%	4	9.75% for 1-2 years of service; 4.75% for 3-23 years of service; 4.25% for over 23 years of service
2020	2020	6.950%	6.950%	2.500%	4	12.30% for 1-2 years of service; 4.70% for over 2 years of service
2021	2021	6.750%	6.750%	2.500%	4	12.30% for 1-2 years of service; 4.70% for over 2 years of service
2022	2022	6.750%	6.750%	2.500%	4	12.30% for 1-2 years of service; 4.70% for over 2 years of service
2023	2023	6.750%	6.750%	2.500%	4	12.30% for 1-2 years of service; 4.70% for over 2 years of service
2024	2024	6.750%	6.750%	2.500%	4	12.30% for 1-2 years of service; 4.70% for over 2 years of service
2025	2025	6.750%	6.750%	2.500%	4	13.00% for 1-2 years of service; 4.75% for over 2 years of service

Additionally, the following mortality tables were used to develop mortality rates:

Fiscal Year Ended December 31,	Measurement Date - June 30,	Mortality
2016	2016	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries; RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants; RP-2000 Employee Table set back 4 years for males and 3 years for females for active employees.
2017	2017	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries; RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants; RP-2000 Employee Table set back 4 years for males and 3 years for females for active employees.
2018	2018	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries; RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants; RP-2000 Employee Table set back 4 years for males and 3 years for females for active employees.
2019	2019	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries; RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants; RP-2000 Employee Table set back 4 years for males and 3 years for females for active employees.
2020	2020	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for annuitants and beneficiaries; Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for disabled annuitants; Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for active employees.
2021	2021	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for annuitants and beneficiaries; Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for disabled annuitants; Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for active employees.
2022	2022	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for annuitants and beneficiaries; Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for disabled annuitants; Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for active employees.
2023	2023	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for annuitants and beneficiaries; Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for disabled annuitants; Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for active employees.
2024	2024	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for annuitants and beneficiaries; Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for disabled annuitants; Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for active employees.
2025	2025	Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 125% for males and females, each with full generational projection using the MP2021 scale was used for annuitants and beneficiaries; Pub-2016 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 125% for males and females, each with full generational projection using the MP2021 scale was used for disabled annuitants; Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 125% for males and females, each with full generational projection using the MP2021 scale was used for active employees.

OTHER SUPPLEMENTARY INFORMATION

Schedule 5

TOWN OF LIVINGSTON

SCHEDULE OF NET POSITION
PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024)

	Enterprise Fund	
	2025	**2024**
Assets		
Current Assets:		
Cash and Cash Equivalents	$ 1,541,203	$ 305,428
Investments	1,570,634	3,096,649
Receivables, Net:		
Accounts	269,586	321,642
Other	1,500	1,500
Due from Other Governments	1,202,520	258,878
Due From General Fund	-	328,474
Inventory - Natural Gas	14,351	9,489
Prepaid Expenses	29,177	27,182
Total Current Assets	4,628,971	4,349,242
Noncurrent Assets:		
Restricted Assets:		
Restricted Cash and Cash Equivalents	1,290,981	1,991,486
Restricted Investments	255,848	245,051
Total Restricted Assets	1,546,829	2,236,537
Property, Plant, and Equipment:		
Construction in Progress	4,604,440	2,299,683
Property, Plant and Equipment, Net	14,001,246	13,394,033
Lease Assetss, Net	106,573	171,891
Total Property, Plant, and Equipment	18,712,259	15,865,607
Other Assets:		
Unamortized Bond Insurance Costs	66,595	69,627
Total Noncurrent Assets	20,325,683	18,171,771
Total Assets	24,954,654	22,521,013
Deferred Outflows of Resources:		
Pension Related	21,085	39,229
Advanced Bond Refunding	503,017	535,296
Total Deferred Outflows of Resources	524,102	574,525
Liabilities		
Current Liabilities:		
Accounts Payable	84,376	81,455
Other Accrued Payables	741,897	512,520
Due to General Fund	906,682	-
Customer Deposits	265,812	259,843
Revenue Bonds Payable	237,000	227,000
Lease Payable	39,709	66,901
Compensated Absences Payable	18,393	13,173
Total Current Liabilities	2,293,869	1,160,892
Long-Term Liabilities:		
Bonds Payable	11,455,229	11,705,146
Lease Payable	74,977	114,686
Net Pension Liability	216,917	267,485
Compensated Absences Payable	22,683	14,349
Total Long-Term Liabilities	11,769,806	12,101,666
Total Liabilities	14,063,675	13,262,558
Deferred Inflows of Resources:		
Pension Related	43,730	56,680
Total Deferred Inflows of Resources	43,730	56,680
Net Position:		
Net Investment in Capital Assets	7,415,874	5,556,315
Restricted for:		
Capital Projects and Debt Service	380,564	351,925
Unrestricted	3,574,913	3,868,060
Total Net Position	$ 11,371,351	$ 9,776,300

See independent auditor's report.

Schedule 6

TOWN OF LIVINGSTON

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024)

	Enterprise Fund	
	2025	**2024**
Operating Revenues:		
Gas Sales	$ 597,670	$ 545,856
Less Cost of Gas Sold	(205,097)	(111,994)
Gross Profit on Gas Sales	392,573	433,862
Water Sales	1,384,394	1,350,467
Sewer Service Charges	1,186,152	1,149,732
Intergovernmental	15,604	16,381
Other	347,837	137,991
Total Operating Revenues	3,326,560	3,088,433
Operating Expenses:		
Bad Debts	-	4,249
Depreciation and Amortization	653,682	649,354
Employee Benefits	153,714	168,073
Insurance	165,155	146,376
Other	435,215	335,645
Professional Fees	214,452	216,298
Repairs and Maintenance	253,968	301,302
Salaries and Wages	418,964	476,745
Supplies	28,894	25,949
Utilities	199,338	164,284
Total Operating Expenses	2,523,382	2,488,275
Operating Income (Loss)	803,178	600,158
Nonoperating Revenues (Expenses):		
Realized Gain (Loss) on Sale of Assets	-	997
Bond Issuance Costs	-	(52,625)
Interest Income	196,950	296,505
Interest Expense	(458,456)	(454,694)
State Grant	-	20,000
Federal Grant	2,428,814	413,030
Total Nonoperating Revenues (Expenses)	2,167,308	223,213
Income (Loss) Before Contributions and Transfers	2,970,486	823,371
Operating Transfers Out	(1,375,435)	-
Change in Net Position	1,595,051	823,371
Total Net Position, Beginning	9,776,300	8,952,929
Total Net Position, Ending	$ 11,371,351	$ 9,776,300

See independent auditor's report.

TOWN OF LIVINGSTON

SCHEDULE OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024)

	Enterprise Fund	
	2025	**2024**
Cash Flows From Operating Activities:		
Received from Customers	$ 3,220,272	$ 3,021,099
Received for Meter Deposit Fees	5,969	13,798
Other Receipts	344,732	185,622
(Payments) for Interfund Services	328,474	(328,474)
Payments for Operations	(1,004,395)	(1,381,696)
Payments to Employees	288,900	(907,016)
Net Cash Provided by Operating Activities	3,183,952	603,333
Cash Flows From Noncapital Financing Activities:		
Transfers From (To) Other Funds	(1,375,435)	-
Other Grant Funds Received	-	92,782
Net Cash Used in Noncapital Financing Activities	(1,375,435)	92,782
Cash Flows From Capital and Related Financing Activities:		
Proceeds from Sale of Capital Acquisitions	-	-
Payments for Capital Acquisitions	(3,734,676)	(1,749,831)
Payments for Debt Issue Costs	-	(52,625)
Cash received on Capital Grants	1,485,172	81,370
Principal Proceeds from (Repayments for) Long-Term Debt	(274,539)	718,222
Interest Payments for Long Term Debt	(461,372)	(436,638)
Net Cash Used in Capital and Related Financing Activities	(2,985,415)	(1,439,502)
Cash Flows From Investing Activities		
Receipt of Interest	196,950	296,505
Proceeds from Sale of (Payments for) Investments	1,515,218	(168,327)
Net Cash Provided by Investing Activities	1,712,168	128,178
Net Cash Increase (Decrease) in Cash and Cash Equivalents	535,270	(615,209)
Cash and Cash Equivalents, Beginning of Year	2,296,914	2,912,123
Cash and Cash Equivalents, End of Year	$ 2,832,184	$ 2,296,914
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:		
Cash and Cash Equivalents, Unrestricted	$ 1,541,203	$ 305,428
Cash and Cash Equivalents, Restricted	1,290,981	1,991,486
Total Cash and Cash Equivalents	$ 2,832,184	$ 2,296,914

(CONTINUED)

TOWN OF LIVINGSTON

SCHEDULE OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024)

	Enterprise Fund	
	2025	**2024**
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income	$ 803,178	$ 600,158
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	653,682	649,354
(Increase) Decrease in Accounts Receivable	52,056	(24,956)
(Increase) Decrease in Other Receivable	-	31,250
(Increase) Decrease in Inventory	(4,862)	4,008
(Increase) Decrease in Prepaid Expenses	(1,995)	(3,218)
(Increase) Decrease in Deferred Outflows of Resources	18,144	62,591
(Increase) Decrease in Due (to) and from Other Funds	1,235,156	(560,775)
Increase (Decrease) in Accounts Payable	2,921	7,874
Increase (Decrease) in Compensated Absences	13,554	16,629
Increase (Decrease) in Deferred Inflows of Resources	(12,950)	49,867
Increase (Decrease) in Accrued Expenses	419,099	(243,247)
Increase (Decrease) in Customer Deposits	5,969	13,798
Net Cash Provided by Operating Activities	$ 3,183,952	$ 603,333

See independent auditor's report.

TOWN OF LIVINGSTON

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS, ENTERPRISE FUND - UTILITY SYSTEMS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Gas Utility System	Water Utility System	Sewer Utility System	Total Enterprise Fund
Operating Revenues:				
Gas Sales	$ 597,670	$ -	$ -	$ 597,670
Less Cost of Gas Sold	(205,097)	-	-	(205,097)
Gross Profit on Gas Sales	392,573	-	-	392,573
Water Sales	-	1,384,394	-	1,384,394
Sewer Service Charges	-	-	1,186,152	1,186,152
Intergovernmental	4,681	6,242	4,681	15,604
Other	26,081	127,712	194,044	347,837
Total Operating Revenues	423,335	1,518,348	1,384,877	3,326,560
Operating Expenses:				
Depreciation and Amortization	47,071	180,947	425,664	653,682
Employee Benefits	46,042	62,026	45,646	153,714
Insurance	58,730	64,858	41,567	165,155
Other	40,328	156,123	238,764	435,215
Professional Fees	49,444	40,966	124,042	214,452
Repairs and Maintenance	16,827	68,114	169,027	253,968
Salaries and Wages	125,688	167,590	125,686	418,964
Supplies	8,040	12,814	8,040	28,894
Utilities	1,625	44,520	153,193	199,338
Total Operating Expenses	393,795	797,958	1,331,629	2,523,382
Operating Income (Loss)	29,540	720,390	53,248	803,178
Nonoperating Revenues (Expenses)				
Grants - Federal	-	2,428,814	-	2,428,814
Interest Income	42,093	80,900	73,957	196,950
Interest Expense	(2,863)	(89,736)	(365,857)	(458,456)
Total Nonoperating Revenues (Expenses)	39,230	2,419,978	(291,900)	2,167,308
Income (Loss) Before Contributions and Transfers	68,770	3,140,368	(238,652)	2,970,486
Operating Transfers Out	(412,631)	(550,173)	(412,631)	(1,375,435)
Change in Net Position	(343,861)	2,590,195	(651,283)	1,595,051
Total Net Position, Beginning				9,776,300
Total Net Position, Ending				$ 11,371,351

See independent auditor's report.

Schedule 9

TOWN OF LIVINGSTON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET (GAAP BASIS) AND ACTUAL, PROPRIETARY FUND TYPE, ENTERPRISE FUND - GAS UTILITY SYSTEM
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues:			
Gas Sales	$ 595,000	$ 597,670	$ 2,670
Less Cost of Gas Sold	(192,000)	(205,097)	(13,097)
Gross Profit on Gas Sales	403,000	392,573	(10,427)
Other			
Delinquent Charges	4,000	3,739	(261)
Miscellaneous	-	5,612	5,612
Service Connection Charges	17,000	16,730	(270)
Intergovernmental	4,500	4,681	181
Total Operating Revenues	428,500	423,335	(5,165)
Operating Expenses:			
Bad Debts	1,500	-	1,500
Depreciation and Amortization	33,000	47,071	(14,071)
Employee Benefits			
Health Insurance	18,500	31,080	(12,580)
Payroll Taxes	8,000	9,309	(1,309)
Retirement	13,000	5,653	7,347
Insurance	59,000	58,730	270
Other	35,225	40,328	(5,103)
Professional Fees	50,000	49,444	556
Repairs and Maintenance	18,800	16,827	1,973
Salaries and Wages			
Maintenance	80,000	101,171	(21,171)
Office	21,500	24,517	(3,017)
Supplies	8,000	8,040	(40)
Utilities	1,750	1,625	125
Total Operating Expenses	348,275	393,795	(45,520)
Operating Income (Loss)	80,225	29,540	(50,685)
Nonoperating Revenues (Expenses):			
Realized Gain (Loss) on Sale of Assets	-	-	-
Interest Income	44,000	42,093	(1,907)
Interest Expense	(3,000)	(2,863)	137
Total Nonoperating Revenues (Expenses)	41,000	39,230	(1,770)
Income (Loss) Before Contributions and Transfers	121,225	68,770	(52,455)
Operating Transfers Out	(412,631)	(412,631)	-
Change in Net Position	$ (291,406)	$ (343,861)	$ (52,455)

See independent auditor's report.

TOWN OF LIVINGSTON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET (GAAP BASIS) AND ACTUAL, PROPRIETARY FUND TYPE, ENTERPRISE FUND - WATER UTILITY SYSTEM

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues:			
Water Sales	$ 1,364,000	$ 1,384,394	$ 20,394
Other			
Delinquent Charges	18,000	18,057	57
Miscellaneous	1,000	8,475	7,475
Service Connection Charges	70,000	69,197	(803)
DHH Fees Collected	31,500	31,983	483
Intergovernmental	6,500	6,242	(258)
Total Operating Revenues	1,491,000	1,518,348	27,348
Operating Expenses:			
Bad Debts	2,000	-	2,000
Depreciation and Amortization	182,000	180,947	1,053
Employee Benefits			
Health Insurance	24,500	41,438	(16,938)
Payroll Taxes	10,500	12,806	(2,306)
Retirement	17,000	7,782	9,218
Insurance	65,000	64,858	142
Other			
Contract Services	94,500	85,374	9,126
Miscellaneous	16,100	18,140	(2,040)
Safe Drinking Water Fees	32,000	39,433	(7,433)
Vehicle Expense	3,000	13,176	(10,176)
Professional Fees	41,500	40,966	534
Repairs and Maintenance	104,600	68,114	36,486
Salaries and Wages			
Maintenance	106,000	134,899	(28,899)
Office	29,000	32,691	(3,691)
Supplies	13,000	12,814	186
Utilities	45,500	44,520	980
Total Operating Expenses	786,200	797,958	(11,758)
Operating Income (Loss)	704,800	720,390	15,590
Nonoperating Revenues (Expenses):			
Realized Gain (Loss) on Sale of Assets	-	-	-
Grants - State	-	-	-
Grants - Federal	1,486,000	2,428,814	942,814
Interest Income	54,000	80,900	26,900
Interest Expense	(164,000)	(89,736)	74,264
Total Nonoperating Revenues (Expenses)	1,376,000	2,419,978	1,043,978
Income (Loss) Before Contributions and Transfers	2,080,800	3,140,368	1,059,568
Operating Transfers Out	(550,174)	(550,173)	1
Change in Net Position	$ 1,530,626	$ 2,590,195	$ 1,059,569

See independent auditor's report.

Schedule 11

TOWN OF LIVINGSTON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET (GAAP BASIS) AND ACTUAL, PROPRIETARY FUND TYPE, ENTERPRISE FUND - SEWER UTILITY SYSTEM

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues:			
Sewer Charges	$ 1,177,000	$ 1,186,152	$ 9,152
Other			
Delinquent Charges	18,000	17,801	(199)
Miscellaneous	-	5,613	5,613
Sewer Impact Fees	175,000	170,630	(4,370)
Intergovernmental	4,500	4,681	181
Total Operating Revenues	1,374,500	1,384,877	10,377
Operating Expenses:			
Bad Debts	1,500	-	1,500
Depreciation and Amortization	415,000	425,664	(10,664)
Employee Benefits			
Health Insurance	18,500	31,080	(12,580)
Payroll Taxes	8,000	8,913	(913)
Retirement	13,000	5,653	7,347
Insurance	41,500	41,567	(67)
Other			
Contract Services	169,000	76,208	92,792
Miscellaneous	7,150	16,659	(9,509)
Sewer Expense	152,000	145,897	6,103
Professional Fees	140,000	124,042	15,958
Repairs and Maintenance	178,600	169,027	9,573
Salaries and Wages			
Maintenance	80,000	101,170	(21,170)
Office	21,500	24,516	(3,016)
Supplies	8,000	8,040	(40)
Utilities	160,000	153,193	6,807
Total Operating Expenses	1,413,750	1,331,629	82,121
Operating Income (Loss)	(39,250)	53,248	92,498
Nonoperating Revenues (Expenses):			
Interest Income	50,000	73,957	23,957
Interest Expense	(328,000)	(365,857)	(37,857)
Bond Issuance Costs	-	-	-
Total Nonoperating Revenues (Expenses)	(278,000)	(291,900)	(13,900)
Income (Loss) Before Contributions and Transfers	(317,250)	(238,652)	78,598
Contributions and Transfers:			
Operating Transfers Out	(412,630)	(412,631)	(1)
Change in Net Position	$ (729,880)	$ (651,283)	$ 78,597

See independent auditor's report.

TOWN OF LIVINGSTON

SCHEDULE OF GAS SALES AND PURCHASES
PROPRIETARY FUND TYPE

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

		2025		2024
Gas Sales and Purchases (Dollars):				
Gas Sales				
Volume mcf (Thousand Cubic Feet)		31,634		36,382
Dollar Amount	$	597,670	$	545,856
Cost of Gas Sold				
Volume mcf (Thousand Cubic Feet)		39,501		37,924
Dollar Amount	$	(205,097)	$	(111,994)
Gross Profit on Gas Sales	$	392,573	$	433,862
Gross Profit Percentage of Sales		66%		79%
Gas Unaccounted For:				
Volume mcf (Thousand Cubic Feet)		7,867		1,543
Average Cost of Unaccounted for Gas	$	40,846	$	4,555
Percentage of Purchases		20%		4%
Number of Customers:				
In Service				
Residential		720		707
Commercial		23		22
Industrial		3		3
Total Number of Customers		746		732
Computed Amounts per Customer (per mcf (Thousand Cubic Feet)):				
Gas Sales	$	18.89	$	15.00
Gas Purchases		(5.19)		(2.95)
Subtotal		13.70		12.05
Unaccounted for Gas Purchases		(1.03)		(0.12)
Gross Profit	$	12.67	$	11.93
Average Monthly Customer Bill:				
Residential	$	49.77	$	43.71
Commercial	$	533.07	$	599.44
Industrial	$	55.00	$	54.00

See independent auditor's report.

Schedule 13

TOWN OF LIVINGSTON

SCHEDULE OF GAS, WATER AND SEWER RATES
PROPRIETARY FUND TYPE

FOR THE YEAR ENDED DECEMBER 31, 2025

Gas

Residential Rates		Commercial	Industrial		
In Town	Out of Town	In or Out of Town	In or Out of Town		
$ 12.47	$ 15.87	$ 18.13	$ 28.34		(Flat Fee)
$ 1.40	$ 1.52	$ 1.63	$ 1.24	-	Per 1,000 Cubic Feet

Water

Residential Rates		Commercial			
In Town	Out of Town	In Town	Out of Town		
$ 23.57		$ 28.06		-	First 3,000 Gallons (Flat Fee)
$ 3.10		$ 3.37		-	Per 1,000 Gallons for all over 3,000 Gallons
	$ 28.04		$ 32.55	-	First 2,000 Gallons (Flat Fee)
	$ 3.37		$ 3.37	-	Per 1,000 Gallons for all over 2,000 Gallons

Industrial			
In Town	Out of Town		
$ 106.57	$ 129.01	-	First 50,000 Gallons (Flat Fee)
$ 3.37	$ 3.37	-	Per 1,000 Gallons for all over 50,000 Gallons

Sewer

Residential		Commercial	Industrial		
In Town	Out of Town	In or Out of Town	In or Out of Town		
$ 35.90	$ 38.71			-	First 2,000 Gallons (Flat Fee)
$ 3.60	$ 4.44				Per 1,000 Gallons for all over 2,000 Gallons
		$ 51.61		-	First 5,000 Gallons (Flat Fee)
		$ 6.18		-	Per 1,000 Gallons for all over 5,000 Gallons
			$ 112.18	-	First 25,000 Gallons (Flat Fee)
			$ 6.74	-	Per 1,000 Gallons for all over 25,000 Gallons

See independent auditor's report.

SCHEDULE OF NUMBER OF UTILITY CUSTOMERS
PROPRIETARY FUND TYPE

FOR THE YEAR ENDED DECEMBER 31, 2025

	Residential	Commercial	Industrial	Total
Gas	720	23	3	746
Water	2,669	100	3	2,772
Sewer	1,532	87	3	1,622
Total	4,921	210	9	5,140

See independent auditor's report.

TOWN OF LIVINGSTON

SCHEDULE OF INSURANCE

FOR THE YEAR ENDED DECEMBER 31, 2025

Insurance Company/ Policy Number	Coverage	Amount	Period		
Lloyd's London					
LMA2400069	Commercial Auto Physical Damage		5/25/2025		5/25/2026
	Auto Physical Damage	$ 884,841			
LMA2400070	Commercial Auto Physical Damage - Fire Department		5/25/2025		5/25/2026
	Auto Physical Damage	$ 510,000			
EMC Insurance Company					
T224447-26	Government Crime Policy		1/23/2025		1/23/2026
	Employee Theft	$ 25,000			
2A41022-26	Business Protection		12/10/2025		12/10/2026
	Building	$ 8,667,949			
	Personal Property	$ 231,407			
	Water Towers	$ 2,347,664			
	Property in the Open	$ 5,919,689			
	Inland Marine	$ 317,103			
Louisiana Municipal Risk Management Agency					
100-1158-2024-19079	Liability Policy		5/23/2025	to	5/23/2026
	Auto Liability	$ 500,000			
	Commercial General Liability				
	Occurrence	$ 500,000			
	Aggregate	$ 500,000			
	Law Enforcement Officers' Comprehensive Liability	$ 500,000			
	Public Officials' Errors & Omissions Liability	$ 500,000			
Selective Insurance Company - National Flood Insurance Program					
FLD5075127	National Flood Insurance		8/20/2025	to	8/20/2026
	Contents	$ 42,000			
FLD4976711	National Flood Insurance		8/20/2025	to	8/20/2026
	Contents	$ 16,000			

See independent auditor's report.

Schedule 15

TOWN OF LIVINGSTON

SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS

FOR THE YEAR ENDED DECEMBER 31, 2025

Name and Title / Contact Number	Address		Compensation Received
Jonathan "JT" Taylor, Mayor (225) 405-5840	20595 Vermont St. Livingston, LA 70754	$	74,061
Joey Sibley, Alderman (225) 686-7533	P.O. Box 643 Livingston, LA 70754		7,200
Robert Stewart, Alderman (225) 301-1418	P.O. Box 1091 Livingston, LA 70754		7,200
Holly Rogers, Alderwoman (225) 773-1489	20635 Benton Ln. Livingston, LA 70754		7,200
Nathanael "Nate" Alexander, Alderman (225) 788-7789	20984 Vermont St. Livingston, LA 70754		7,200
James "Jimmy" Nesom, Alderman (225) 341-9764	P.O. Box 1 Livingston, LA 70754		7,200
		$	110,061

All Terms Expire on December 31, 2028

The schedule of compensation paid board members is presented in compliance with House Concurrent Resolution Number 54 of the 1979 Session of the Louisiana Legislature.

Schedule 16

TOWN OF LIVINGSTON

SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD

FOR THE YEAR ENDED DECEMBER 31, 2025

Agency Head Name: Jonathan "JT" Taylor, Mayor

Purpose		**Amount**
Salary	$	74,061
Benefits - Insurance		35,813
Benefits - Retirement		10,218
Employer Paid Medicare and Social Security		5,302
Telephone Reimbursements		900
Conference Fees		750
Travel		991
Fuel Expense		3,542
Vehicle Lease		12,759
Other Vehicle Expenses		3,523
Business Meals		660
Uniforms		0
Other		0
	$	148,519

See independent auditor's report.

TOWN OF LIVINGSTON

JUSTICE SYSTEM FUNDNG SCHEDULE - COLLECTING/DISBURSING ENTITY

FOR THE YEAR ENDED DECEMBER 31, 2025

Cash Basis Presentation	First Six Month Period Ended 6/30/2025	Second Six Month Period Ended 12/31/2025
Beginning Cash Balance	$ -	$ -
Add: Collections		
Criminal Court Costs/Fees	1,934	2,557
Criminal Fines - Other/Non-Contempt	42,801	54,709
Subtotal Collections	44,735	57,266
Less: Amounts Retained by Collecting Agency		
Town of Livingston, Criminal Fines - Other/Non-Contempt	42,801	54,069
Less: Disbursements to Individual and Entities, Excluding Governments and Nonprofits		
Florida Parishes Juvenile Justice Center, Criminal Court Cost/Fees	960	1,275
Louisiana Commission on Law Enforcement, Criminal Court Cost/Fees	376	500
Louisiana Supreme Court (Judicial College), Criminal Court Cost/Fees	96	127
Dept. of Treasury, State of Louisiana -CMIS, Criminal Court Cost/Fees	192	255
Treasurer, State of Louisiana - THSCI Trust Fund, Criminal Court Costs/Fees	310	400
Subtotal Disbursements/Retainage	44,735	56,626
Ending Cash Balance	$ -	$ 640

Other Information:

Ending Balance of Total Amounts Assessed but not yet Collected	$ -	$ -
Total Waivers During the Fiscal Period	$ 6,228	$ 15,998

See independent auditor's report.

TOWN OF LIVINGSTON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Pass-Through Grantor/Program Title/Project	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Total Federal Expenditures
United States Department of Homeland Security				
Passed through Governors Office of Homeland Security and Emergency Preparedness (GOHSEP)				
Disaster Grant - Public Assistance (Presidentially Declared Disaster)				
Public Assistance - Various Ball Park Buildings	97.036	PA DR 4611 PW 2904	$ 24,243	
Public Assistance - Parks & Rec - Johnny Sartwell Park - Fields A-G, fences and lighting	97.036	PA DR 4611 PW 2949	282,833	
Total Disaster Grant - Public Assistance (Presidentially Declared Disaster)				307,076
Total United States Department of Homeland Security				307,076
United States Department of Treasury				
Passed through Louisiana Office of Community Development				
Covid-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	LAWSP10489	2,428,814 *	2,428,814
Total United States Department of Treasury				2,428,814
Total Expenditures of Federal Awards				$ 2,735,890

* $132,631.73 included in 2025 Federal Expenditure, but incurred by the Town in the year ending December 31, 2024.

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Town of Livingston under programs of the federal government for the year ended December 31, 2025. The information in this Schedule is presented in accordance with requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Town of Livingston.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years

Note 3 - Indirect Cost Rate

The Town of Livingston has elected not to use the de minimis direct cost rate allowed under the Uniform Guidance. For federal awards issued prior to October 1, 2024, the de minimis rate allowed was 10%. For federal awards issued on or after October 1, 2024, the de minimis rate allowed was 15%.

Minda B. Raybourn

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Member
AICPA

Member
LCPA

To the Honorable Jonathan "JT" Taylor
and Board of Aldermen
Town of Livingston, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Town of Livingston, Louisiana's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Town of Livingston, Louisiana's major federal programs for the year ended December 31, 2025. Town of Livingston, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Town of Livingston, Louisiana complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Town of Livingston, Louisiana and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Town of Livingston, Louisiana's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Town of Livingston, Louisiana's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Town of Livingston, Louisiana's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Town of Livingston, Louisiana's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town of Livingston, Louisiana's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Town of Livingston, Louisiana's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Town of Livingston, Louisiana's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

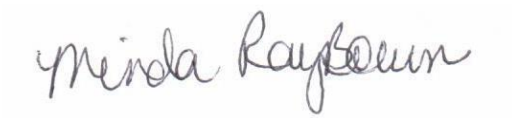
Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Franklinton, LA
June 22, 2026

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Member LCPA

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

To the Honorable Jonathan "JT" Taylor
and Board of Aldermen
Town of Livingston, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund, of the Town of Livingston, Louisiana, as of and for the year ended December 31, 2025 and the related notes to the financial statements, which collectively comprise Town of Livingston, Louisiana's basic financial statements, and have issued our report thereon dated June 22, 2026.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2024-001 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Livingston, Louisiana'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Town of Livingston, Louisiana's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Livingston, Louisiana' s response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Town of Livingston, Louisiana'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.

Minda Raybourn

Minda Raybourn
Franklinton, LA 70438
June 22, 2026

TOWN OF LIVINGSTON, LOUISIANA
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2025

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Town of Livingston, Louisiana were prepared in accordance with generally accepted accounting principles.
2. One material weakness was disclosed during the audit of the financial statements. No significant deficiencies were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Town of Livingston, Louisiana were disclosed during the audit.
4. No material weaknesses or significant deficiencies were identified during the audit of the major federal award program.
5. The auditor's report on compliance expresses an unmodified opinion.
6. The program tested as a major program was the Department of the Treasury, Coronavirus State and Local Fiscal Recovery Funds, assistance listing number 21.027.
7. The threshold for the distinguishing Types A and B programs is as follows:

   Type A- $1,000,000 or more of federal awards expended

   Type B- Any program that does not meet the threshold of Type A programs.
8. For the period ending December 31, 2025, Town of Livingston, Louisiana was determined not to be a low-risk auditee.

MANAGEMENT COMMENT LETTER

None

TOWN OF LIVINGSTON, LOUISIANA
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2025

Financial Statement Findings

Finding 2025-001 Lack of Segregation of Duties (Material Weakness)

CRITERIA: Proper segregation of incompatible duties requires that there be different individuals responsible for authorizing transactions, recording transactions, preparing reconciliations, and maintaining custody of assets.

CONDITION: This condition has been recurring since 2013. In 2019, the Town adopted policies and procedures detailing the collection procedures. However, due to the small size of the Town's staff, incompatible duties are being performed by the Town's billing clerk and the Town clerk.

CAUSE: The Town's staff is not of sufficient size to allow for proper and appropriate segregation of duties.

EFFECT: Without segregation of incompatible duties, the Town is exposed to many risks including the risk of improper or unauthorized transactions; misappropriation of assets, and incomplete, inaccurate, or fraudulent reporting. The lack of segregation of incompatible duties represents a material weakness in the design of internal controls over financial reporting.

RECOMMENDATION: The Town should evaluate and redesign its internal control system such that no one individual is responsible for authorizing transactions, recording transactions, preparing reconciliations, and maintaining custody of related assets.

MANAGEMENT RESPONSE: While the Town has maintained certain entity level controls and compensating control activities as part of its internal control system, the Town recognizes the need to design and implement effective internal control activities related to utility billings. The Mayor and Town clerk are working with the Town's accountants and are active in redesigning the Town's internal control system surrounding utility billings.

CONTACT: Mayor Jonathan "JT" Taylor, 20550 Circle Drive, PO Box 430, Livingston, La 70754. Telephone (225) 686-7153

From December 31, 2024

Finding 2024-001 Lack of Segregation of Duties (Material Weakness)

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CONTACT: Mayor Jonathan "JT" Taylor, 20550 Circle Drive, PO Box 430, Livingston, La 70754. Telephone (225) 686-7153

STATUS: This is an ongoing condition.

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Member AICPA

Member LCPA

Date: June 22, 2026
To: Honorable Members of the Town Council
From: Independent Auditors
Subject: Written Communication Regarding Continuing Disclosure Noncompliance

We are providing this written communication in connection with our audit of the Town's financial statements conducted in accordance with generally accepted auditing standards (GAAS) and Government Auditing Standards (GAGAS). During the audit, we became aware of noncompliance with the Town's continuing disclosure undertaking related to its bonded debt.

Specifically, the Town's prior-year audited financial statements were not filed on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) system by the required deadline. Based on our understanding, the Town is subject to a continuing disclosure agreement associated with its municipal debt, and that agreement requires timely filing of annual financial information, including audited financial statements, through EMMA.

1. During our audit procedures, we noted that the Town's prior-year audited financial statements were not filed on EMMA by the deadline required under the applicable continuing disclosure agreement.
2. We understand that the filing responsibility may have been assigned in whole or in part to the Town's bank or other dissemination agent.
3. The Town is an issuer with bonded debt and is subject to continuing disclosure obligations associated with that debt.
4. Based on our current evaluation, we have not identified evidence that this matter had a material effect on the Town's current-year financial statements.

Based on the information available during our audit, the Town did not timely satisfy a continuing disclosure filing requirement because the prior-year audited financial statements were not submitted to EMMA by the required deadline. Although responsibility for submitting the filing may have been delegated to a bank or dissemination agent, the underlying disclosure obligation remains important to the Town as the municipal issuer. This matter is relevant to governance because continuing disclosure compliance supports transparency to bondholders and the broader municipal market.

Based on our current evaluation, we do not consider this matter to constitute material noncompliance affecting our opinion on the Town's financial statements. We have not identified a material effect of this matter on the amounts or disclosures in the financial statements. Nevertheless, the matter is important enough to merit the attention of those charged with governance under Government Auditing Standards because it reflects a breakdown in compliance monitoring and assignment of responsibility over a recurring external reporting obligation.

We recommend that the Town take the following corrective actions:

- **Promptly complete the missing filing.** Submit the prior-year audited financial statements to EMMA as soon as practicable, along with any related required annual financial information or explanatory submission, as appropriate.
- **Review and clarify responsibility.** Confirm in writing which party is responsible for preparing, submitting, and verifying EMMA filings, including any responsibilities assigned to the bank, dissemination agent, finance personnel, or legal counsel.
- **Implement a formal compliance calendar.** Establish a documented calendar of all continuing disclosure deadlines tied to each debt issue, including due dates, required documents, responsible personnel, and evidence of completion.
- **Add a monitoring and verification control.** Require a designated Town official to review filing status and retain evidence that each EMMA submission was completed accurately and on time.

The Town did not timely file its prior-year audited financial statements on EMMA as required under its continuing disclosure undertaking. Based on our current evaluation, this matter is not considered material noncompliance affecting our audit opinion on the financial statements.

However, the matter is important to governance and oversight, and we therefore are bringing it to your attention in writing. We recommend that the Town promptly cure the missed filing, clarify accountability for EMMA submissions, and implement documented controls to monitor future continuing disclosure deadlines.

This communication is intended solely to inform those charged with governance of this matter and to assist in oversight of corrective action.

Respectfully submitted,

Minda Raybourn

Minda Raybourn CPA
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Member AICPA

Member LCPA

To the Town of Livingston
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 01, 2025 through December 31, 2025. The Town of Livingston's management is responsible for those C/C areas identified in the SAUPs.

The Town of Livingston 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 01, 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.

No exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

iii. ***Disbursements***, including processing, reviewing, and approving.

No exceptions were found as a result of this procedure.

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).

No exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exceptions were found as a result of this procedure.

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).

No exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

No exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

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.*

No exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

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.
No exceptions were found as a result of this procedure.

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:

A listing and management's representation were obtained.

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);

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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.

The parks and recreation account has checks older than 1 year in the amount of $2,669.57. The utility meter deposit account has checks older than 1 year in the amount of $16,640.20.

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).

A listing and management's representation were obtained.

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;

No exceptions were found as a result of this procedure.

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;

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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).

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

A listing and management's representation were obtained.

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;

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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;

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

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

C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

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

No exceptions were found as a result of this procedure.

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.
No exceptions were found as a result of this procedure.

D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*
No exceptions were found as a result of this procedure.

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.

A listing and management's representation were obtained.

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

No exceptions were found as a result of this procedure.

ii. Observe that finance charges and late fees were not assessed on the selected statements.
The statement had late fees and interest charges of $213.45 assessed.

C. Using the monthly statements or combined statements selected under procedure #6B above, <u>excluding fuel cards</u>, 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.

Out of the 10 charges selected on the credit card statement, 3 were for meals in which the receipts were not itemized.

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.

No exceptions were found as a result of this procedure.

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

A listing and management's representation were obtained.

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 (doa.la.gov/doa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov);

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

A listing and management's representation were obtained.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions were found as a result of this procedure.

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.

A listing and management's representation were obtained.

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);

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

v.

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.

No exceptions were found as a result of this procedure.

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) have been paid, and any associated forms have been filed, by required deadlines.

One payment for state withholding taxes was paid late. One payment to MPERS was paid late. Four payments to MERS were paid late.

10) *Ethics*

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

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).

No exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

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.

We performed the procedure and discussed the results with management.

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.

We performed the procedure and discussed the results with management.

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.

We performed the procedure and discussed the results with management.

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.

We performed the procedure and discussed the results with management.

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.

No exceptions were found as a result of this procedure.

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).

No exceptions were found as a result of this procedure.

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:

The report was not provided.

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.

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

We are required to be independent of Town of Livingston 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.

Minda Raybourn

Franklinton, LA
June 19, 2026

Town Of Livingston, Louisiana
Management's Responses to Agreed-Upon Procedures
For the Year Ended December 31, 2025

Management's responses to the following agreed-upon procedures:

3) Bank Reconciliations
Procedure: 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.

Exception noted: The parks and recreation account has checks older than 1 year in the amount of $2,669.57. The utility meter deposit account has checks older than 1 year in the amount of $16,640.20.

Management's response: The Town will research the checks that are older than 1 year and take appropriate action to clear them off of the outstanding check list.

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

Procedures: 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.

Exception noted: Out of the 10 charges selected on the credit card statement, 3 were for meals in which the receipts were not itemized.

Management's response: We will ensure that all charges for meals will have an itemized receipt attached to the statement before processing for payment.

9) Payroll and Personnel

Procedure: 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) have been paid, and any associated forms have been filed, by required deadlines.

Exception noted: One payment for state withholding taxes was paid late. One payment to MPERS was paid late. Four payments to MERS were paid late.

Management's response: We will ensure that all tax payments and retirement system payments are paid timely. We will implement a department wide calendar reminder system in the office email system.