

TOWN OF OBERLIN

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025**



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February 2, 2026

Independent Auditors' Report

To the Honorable Mayor and Board of Aldermen
Town of Oberlin, Louisiana

QUALIFIED, AND UNMODIFIED OPINIONS

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

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
General Fund	Unmodified
Sales Tax Fund	Unmodified
Utility Fund	Qualified
Aggregate Remaining Fund Information	Unmodified

QUALIFIED OPINION ON THE UTILITY FUND

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions Section of our Report, the financial statements referred to above present fairly, in all material respects, the financial position of the Utility Fund of the Town of Oberlin as of June 30, 2025 and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

UNMODIFIED OPINIONS ON THE GOVERNMENTAL ACTIVITIES, BUSINESS-TYPE ACTIVITIES, EACH MAJOR GOVERNMENTAL FUND, AND AGGREGATE REMAINING FUND INFORMATION

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

BASIS FOR QUALIFIED, AND UNMODIFIED OPINIONS

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Oberlin, 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 qualified and unmodified audit opinions.

MATTERS GIVING RISE TO THE QUALIFIED OPINION ON THE UTILITY FUND

The Town of Oberlin has specific, identifiable revenue streams in the utility fund which are pledged in support of different revenue bonds, called segments. Governments with debt secured by specific segments are required to present financial information for each segment in the notes to the financial statements. Management has not presented this segment information as a disclosure in the notes to the financial statements. The amount by which this departure would affect the assets, deferred inflows and deferred outflows, liabilities, and net position has not been determined.



Rozier, McKay & Willis
Certified Public Accountants
Voice: 318.442.1608

160 Browns Bend Road
Alexandria, Louisiana 71303
Online: CenlaCPAs.com

Town of Oberlin

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Oberlin'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 and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional 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 Oberlin'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 Oberlin'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 the information listed below to supplement the basic financial statements.

- Management's Discussion and Analysis
- Budgetary Comparison Information
- Schedule of Net Pension Liability Data
- Schedule of Employer Contributions

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.

Town of Oberlin

SUPPLEMENTARY INFORMATION

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Oberlin's basic financial statements. The other supplemental information listed below is presented for purposes of additional analysis and is not a required part of the basic financial statements:

- Schedule of Compensation Paid to Board Members
- Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive
- Justice System Funding Schedule

The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The other supplemental 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 supplementary information is 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 our report dated February 2, 2026, on our consideration of the Town of Oberlin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Oberlin's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town of Oberlin's internal control over financial reporting and compliance.



Rozier, McKay & Willis
Certified Public Accountants
Alexandria, LA



February 2, 2026

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 Mayor and Board of Aldermen
Town of Oberlin, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Oberlin, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated February 2, 2026.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

COMPLIANCE AND OTHER MATTERS

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



Rozier, McKay & Willis
Certified Public Accountants
Voice: 318.442.1608

160 Browns Bend Road
Alexandria, Louisiana 71303
Online: CenlaCPAs.com

Town of Oberlin

and which are described in the accompanying schedule of findings and as items 2025-001, 2025-002, 2025-003, and 2025-004.

TOWN OF OBERLIN'S RESPONSE TO FINDINGS

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

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Rozier, McKay & Willis
Certified Public Accountants

TOWN OF OBERLIN

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2025

This section of the Town of Oberlin's annual financial report presents our discussion and analysis of the Town's financial performance during the fiscal year ended June 30, 2025.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Town's financial position and results of operations from differing perspectives which are described as follows:

Government –Wide Financial Statements

The government-wide financial statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Town's assets (including infrastructure acquired after July 1, 1980) and all of the Town's liabilities (including long-term debt).

The government-wide financial statements are divided into two categories, which are described as follows:

- **Governmental Activities** – Expenses incurred in connection with providing basic services including public safety, recreation, sanitation, public works and general administration are reported as governmental activities. The governmental activities are financed by taxes, license and permit fees, fines and forfeitures, and intergovernmental sources.
- **Business-Type Activities** – Expenses associated with providing utility services are recovered through fees paid by the customers that utilize these services. These activities are operated in a manner similar to commercial enterprises. Accordingly, activities associated with these services are reported as business type activities.

Fund Financial Statements

Fund financial statements provide detailed information regarding the Town's most significant activities and are not intended to provide information for the Town as a whole. Funds are accounting devices that are used to account for specific sources of funds. The Town has two types of funds that are described as follows:

- **Governmental Funds** – These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental funds use a modified accrual basis of accounting that provides a short-term view of the Town's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.
- **Proprietary Fund** – These funds are used to account for activities that function in a manner similar to commercial enterprises, including activities associated with the Town's utility services. Proprietary fund financial statements typically provide a more detail presentation of the information reported in the business-type activities portion of the government-wide financial statements.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

A comparative analysis of government-wide financial data is presented as follows:

TOWN OF OBERLIN

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2025

Net Position

A condensed version of the government-wide Statement of Net Position is presented as follows:

Table A Net Position							
	<u>Governmental-Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		% Change
	June	June	June	June	June	June	
	30, 2025	30, 2024	30, 2025	30, 2024	30, 2025	30, 2024	
Assets:							
Current and Other Assets	\$ 170,483	\$ 140,093	\$ 730,002	\$1,514,359	\$ 900,485	\$ 1,654,452	-45.6%
Capital Assets	893,066	1,002,697	11,605,374	10,179,515	12,498,440	11,182,212	11.8%
Total Assets	1,063,549	1,142,790	12,335,376	11,693,874	13,398,925	12,836,664	4.4%
Deferred Outflows	260,195	460,679	-	-	260,195	460,679	-43.5%
Liabilities:							
Current and Other Liabilities	121,221	41,661	415,027	1,174,123	536,248	1,215,784	-55.9%
Long-term Liabilities	597,954	860,550	5,323,033	5,392,498	5,920,987	6,253,048	-5.3%
Total Liabilities	719,175	902,211	5,738,060	6,566,621	6,457,235	7,468,832	-13.5%
Deferred Inflows:	107,092	297	-	-	107,092	297	35957.9%
Net Position:							
Invested in Capital Assets (Net)	793,516	873,008	6,275,117	4,779,793	7,068,633	5,652,801	25.0%
Restricted	68,295	43,614	208,206	210,016	276,501	253,630	9.0%
Unrestricted	(364,334)	(215,661)	113,993	137,444	(250,341)	(78,217)	220.1%
Total Net Position	\$ 497,477	\$ 700,961	\$ 6,597,316	\$5,127,253	\$ 7,094,793	\$ 5,828,214	21.7%

A condensed version of the government-wide Statement of net Position is presented in Table A. As Table A demonstrates, a large portion of the Town's net position is invested in capital assets. Net position invested in capital assets consist of land, buildings, equipment, and infrastructure less any debt used to acquire the assets that remain outstanding. The Town uses these capital assets to provide services to its citizens; consequently, these amounts are not available for future spending.

An additional portion of the net position represent resources that are subject to restrictions that are imposed by agreements with the Town's bondholders or requirements imposed by various revenue sources.

Obligations associated with providing defined retirement benefits for police officers have eliminated the Town's unrestricted net position. Despite the absence of unrestricted net position, resources are available to sustain operations for the foreseeable future because the retirement obligations are long-term in nature.

Changes in Net Position

A condensed version of the government-wide Statement of Changes in Net Position appears in Table B. The Governmental activities decreased the Town's net position before transfers by \$483,507. This decrease is due to the Town continuing to consume excess resources as a result of the loss of the gaming revenue. The Town has supplemented the governmental activities with additional revenue from the utility system and consuming town reserves.

Business-type activities, excluding transfers, increased the Town's net position by \$1,470,063. The increase is attributable to grant revenues from the Water Sector Program.

TOWN OF OBERLIN

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2025

Table B							
Changes in Net Position							
	<u>Governmental-Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		% Change
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	
Revenues:							
Program Revenue:							
Charges for Services	\$ 202,456	\$ 211,312	\$1,110,100	\$1,038,134	\$1,312,556	\$1,523,868	-13.9%
Operating Grants and Contributions	88,052	194,276	65,480	97,911	153,532	292,187	-47.5%
Capital Grants and Contributions	-	-	1,751,934	1,063,114	1,751,934	1,063,114	64.8%
General Revenue:							
Property Taxes	24,472	24,191	-	-	24,472	24,191	1.2%
Sales Taxes	270,375	178,956	-	-	270,375	178,956	51.1%
Franchise Taxes	70,251	66,142	-	-	70,251	66,142	6.2%
Licenses and Permits	89,990	79,504	-	-	89,990	79,504	13.2%
Gaming Revenue	-	187,269	-	-	-	187,269	-100.0%
Other	13,580	8,234	11,115	35,511	24,695	43,745	-43.5%
Total Revenue	759,176	949,884	2,938,629	2,234,670	3,697,805	3,458,976	6.9%
Program Expenses:							
General Government	350,861	444,846	-	-	350,861	444,846	-21.1%
Public Safety	597,251	621,595	-	-	597,251	621,595	-3.9%
Public Works	294,571	335,581	-	-	294,571	335,581	-12.2%
Cemetery	-	-	-	-	-	-	0.0%
Utility Service	-	-	1,188,543	1,050,358	1,188,543	1,050,358	13.2%
Total Expenses	1,242,683	1,402,022	1,188,543	1,050,358	2,431,226	2,452,380	-0.9%
Increase (Decrease) in Net Position							
Before Transfers	(483,507)	(452,138)	1,750,086	1,184,312	1,266,579	1,006,596	25.8%
Transfers	280,023	364,643	(280,023)	(364,643)	-	-	-
Change in Net Position	(203,484)	(87,495)	1,470,063	819,669	1,266,579	1,006,596	25.8%
Net Position Beginning	700,961	788,456	5,127,253	4,307,584	5,828,214	5,096,040	14.4%
Net Position Ending	\$ 497,477	\$ 700,961	\$6,597,316	\$5,127,253	\$7,094,793	\$6,102,636	16.3%

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

An analysis of significant matters affecting the Town's funds is presented as follows:

- The Town's general fund reported a negative fund balance of \$42,116, which represents a decrease of \$73,851. This decrease is due to a continued decrease in operating revenues.
- The Town's sales tax fund reported a fund balance of \$59,255, which represents an increase of \$24,415. This increase is due to a substantial increase in sales tax during the current year.
- Amounts reported for business-type activities in the Town's individual funds are identical to the business-type activities reported in the government-wide presentation.

GENERAL FUND BUDGET HIGHLIGHTS

The general fund original budget was adopted as required. The budget was amended to address actual experiences that deviated from expectations that existed when the original budget was adopted.

TOWN OF OBERLIN

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2025

CAPITAL ASSET ADMINISTRATION

Highlights of the Town's capital asset administration are presented as follows:

- Construction continued on the sewer system with funds from the Water Sector Program
- A side by side, backhoe, and zero turn mower were purchased for the maintenance department.

DEBT ADMINISTRATION

Debt was issued to acquire the backhoe. Remaining debt activity was limited to paying required installments on existing obligations.

FACTORS EXPECTED TO AFFECT FUTURE OPERATIONS

There are no events or conditions that are expected to have significant influence on future operations.

Town of Oberlin

STATEMENT OF NET POSITION

June 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 83,776	\$ 267,563	\$ 351,339
Restricted Cash	-	208,206	208,206
Receivables (net)	63,624	254,233	317,857
Leased Asset (net)	23,083	-	23,083
Capital assets			
Non depreciable capital assets	193,812	7,224	201,036
Depreciable capital assets, net	699,254	11,598,150	12,297,404
Total assets	1,063,549	12,335,376	13,398,925
DEFERRED OUTFLOWS			
Pension funding deferrals	260,195	-	260,195
LIABILITIES			
Accounts and other payables	96,221	322,772	418,993
Delayed Revenues	25,000	-	25,000
Deposits due others	-	92,255	92,255
Long-term liabilities			
Lease obligation			
Due within one year	22,926	-	22,926
Due in more than one year	1,952	-	1,952
Long-term debt			
Due within one year	32,317	166,294	198,611
Due in more than one year	65,438	5,156,739	5,222,177
Net pension liability	475,321	-	475,321
Total liabilities	719,175	5,738,060	6,457,235
DEFERRED INFLOWS			
Pension funding deferrals	107,092	-	107,092
NET POSITION			
Invested in capital assets, net of related debt	793,516	6,275,117	7,068,633
Restricted For:			
Activities Permitted by Sales Tax Propositions	59,255	-	59,255
Cemetery	9,040	-	9,040
Debt Service	-	208,206	208,206
Unrestricted	(364,334)	113,993	(250,341)
Total net position (deficit)	\$ 497,477	\$ 6,597,316	\$ 7,094,793

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

Town of Oberlin

STATEMENT OF ACTIVITIES

Year Ended June 30, 2025

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Net (Expenses) Revenue
<u>Governmental Activities:</u>					
General Government	\$ 350,861	\$ -	\$ -	\$ -	\$ (350,861)
Public Safety					
Police Department	597,251	202,456	18,000	-	(376,795)
Public Works					
Streets and Recreation	294,571	-	70,052	-	(224,519)
Cemetery	-	-	-	-	-
Total Governmental Activities	<u>1,242,683</u>	<u>202,456</u>	<u>88,052</u>	<u>-</u>	<u>(952,175)</u>
<u>Business-Type Activities:</u>					
Utility System	<u>1,188,543</u>	<u>1,110,100</u>	<u>65,480</u>	<u>1,751,934</u>	<u>1,738,971</u>
Total Business-Type Activities	<u>1,188,543</u>	<u>1,110,100</u>	<u>65,480</u>	<u>1,751,934</u>	<u>1,738,971</u>
Total	<u>\$ 2,431,226</u>	<u>\$ 1,312,556</u>	<u>\$ 153,532</u>	<u>\$ 1,751,934</u>	<u>\$ 786,796</u>

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

Town of Oberlin

STATEMENT OF ACTIVITIES (Continued) **Year Ended June 30, 2025**

	Governmental Activities	Business- Type Activities	Total
Net (Expense) Revenue (Continued From Previous Page)	\$ (952,175)	\$ 1,738,971	\$ 786,796
<u>General Revenues:</u>			
Taxes:			
Ad Valorem	24,472	-	24,472
Sales	270,375	-	270,375
Franchise	69,110	-	69,110
Other	1,141	-	1,141
Licenses & Permits	89,990	-	89,990
Other	13,580	11,115	24,695
Transfers	<u>280,023</u>	<u>(280,023)</u>	<u>-</u>
Total General Revenues, Special Items and Transfers	<u>748,691</u>	<u>(268,908)</u>	<u>479,783</u>
Change in Net Position	(203,484)	1,470,063	1,266,579
Net Position Beginning	<u>700,961</u>	<u>5,127,253</u>	<u>5,828,214</u>
Net Position Ending	<u>\$ 497,477</u>	<u>\$ 6,597,316</u>	<u>\$ 7,094,793</u>

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

Town of Oberlin

Balance Sheet

Governmental Funds - June 30, 2025

	General Fund	Sales Tax Fund	Nonmajor Fund	Total Governmental Funds
Assets				
Cash and Cash Equivalents	\$ 51,662	\$ 23,074	\$ 9,040	\$ 83,776
Receivables (net)	27,443	36,181	-	63,624
Total assets	\$ 79,105	\$ 59,255	\$ 9,040	\$ 147,400
Liabilities and Fund Balance				
Liabilities				
Accounts and Other Payable	\$ 96,221	\$ -	\$ -	\$ 96,221
Delayed Revenues	25,000	-	-	25,000
Total liabilities	121,221	-	-	121,221
Fund Balance				
Restricted for				
Activities Permitted by Sales Tax Proposition	-	59,255	-	59,255
Cemetery Operations	-	-	9,040	9,040
Unassigned	(42,116)	-	-	(42,116)
Total Fund Balances	(42,116)	59,255	9,040	26,179
Total Liabilities and Fund Balance	\$ 79,105	\$ 59,255	\$ 9,040	\$ 147,400

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

Town of Oberlin

Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Position of Governmental Activities on the Statement of Net Position

Year Ended June 30, 2025

Total Fund Balances - Governmental Funds	\$ 26,179
Amounts reported for governmental activities in the statement of net position are different because:	
Liabilities not due and payable in the current period are excluded from the Governmental Fund Balance Sheet	
Net Pension Liability	(475,321)
Deferred Inflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet	(107,092)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	893,066
Deferred outflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet	260,195
Capital assets and rights acquired under leasing arrangements are not financial resources and therefore are not reported in the funds	23,083
Long term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Fund Balance Sheet	<u>(122,633)</u>
Net Position of Governmental Activities	<u>\$ 497,477</u>

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

Town of Oberlin

Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds - Year Ended June 30, 2025

	General Fund	Sales Tax Fund	NonMajor Fund	Total Governmental Funds
Revenues:				
Taxes:				
Ad Valorem	\$ 24,472	\$ -	\$ -	\$ 24,472
Sales	-	270,375	-	270,375
Franchise	69,110	-	-	69,110
Other	1,141	-	-	1,141
Licenses & Permits	89,990	-	-	89,990
Intergovernmental	73,614	-	-	73,614
Fines and Forfeitures	202,456	-	-	202,456
Rent and Lease	8,800	-	-	8,800
Other	18,908	44	266	19,218
Total Revenues	<u>488,491</u>	<u>270,419</u>	<u>266</u>	<u>759,176</u>
Expenditures:				
Current:				
General Government	345,074	-	-	345,074
Public Safety				
Police Department	471,196	-	-	471,196
Public Works				
Streets and Public Facilities	225,232	-	-	225,232
Cemetery	-	-	-	-
Capital Expenditures	8,952	-	-	8,952
Debt Service	37,915	-	-	37,915
Total Expenditures	<u>1,088,369</u>	<u>-</u>	<u>-</u>	<u>1,088,369</u>
Excess (Deficiency) of Revenue Over Expenditures	(599,878)	270,419	266	(329,193)
Other Financing Sources (Uses):				
Operating Transfers In (Out)	<u>526,027</u>	<u>(246,004)</u>	<u>-</u>	<u>280,023</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(73,851)	24,415	266	(49,170)
Fund Balance (Deficit) - Beginning of Year	<u>31,735</u>	<u>34,840</u>	<u>8,774</u>	<u>75,349</u>
Fund Balance (Deficit) - End of Year	<u>\$ (42,116)</u>	<u>\$ 59,255</u>	<u>\$ 9,040</u>	<u>\$ 26,179</u>

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

Town of Oberlin

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities

Year Ended June 30, 2025

Net change in fund balances of Governmental Funds		\$ (49,170)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays in the current period exceeded depreciation.		
Capital Expenditures	8,952	
Depreciation	<u>(118,583)</u>	(109,631)
Governmental funds report pension expense based on contributions required for the current year; however, pension expense reported on the government wide basis is influenced by actuarial considerations.		(74,822)
Repayment of long-term debt and lease obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		<u>30,139</u>
Change in net position of governmental activities		<u>\$ (203,484)</u>

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

Town of Oberlin

Statement of Net Position Proprietary Funds - June 30, 2025

	<u>Utility Fund</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and cash equivalents	\$ 267,563
Restricted Cash	208,206
Receivables (net)	<u>254,233</u>
Total current assets	730,002
Noncurrent Assets:	
Non depreciable capital assets	7,224
Depreciable capital assets, net	<u>11,598,150</u>
Total assets	<u>12,335,376</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts and other payables	322,772
Deposits due others	92,255
Current portion of long-term debt	<u>166,294</u>
Total current liabilities	581,321
Noncurrent Liabilities:	
Long-term debt	<u>5,156,739</u>
Total liabilities	<u>5,738,060</u>
<u>NET POSITION:</u>	
Invested in capital assets, net of related debt	6,275,117
Restricted	208,206
Unrestricted	<u>113,993</u>
Total net position (deficit)	<u>\$ 6,597,316</u>

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

Town of Oberlin

***Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds - June 30, 2025***

	<u>Utility System</u>
<u>Operating Revenues:</u>	
Service Fees	
Water Sales	\$ 584,130
Sewer Service Fees	507,743
Other	<u>18,227</u>
Total Operating Revenues	<u>1,110,100</u>
<u>Operating Expenses:</u>	
Salaries and Benefits	248,701
Professional and Laboratory	11,050
Repairs and Maintenance	85,867
Supplies	94,218
Utilities	104,142
Insurance	19,292
Consulting	32,442
Depreciation	431,150
Other	<u>32,772</u>
Total Operating Expenses	<u>1,059,634</u>
Operating Income (Loss)	50,466
<u>Noncapital Subsidies</u>	
Intergovernmental Grants	1,817,414
Operating transfers in (out)	<u>(280,023)</u>
Total noncapital subsidies	<u>1,537,391</u>
Operating income and noncapital subsidies	<u>1,587,857</u>
<u>Nonoperating Revenues (Expenses):</u>	
Interest Revenue	11,115
Interest Expense	<u>(128,909)</u>
Total Nonoperating Revenues (Expenses)	<u>(117,794)</u>
Change in net position	1,470,063
Total net position - beginning	<u>5,127,253</u>
Total net position - ending	<u>\$ 6,597,316</u>

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

Town of Oberlin

Statement of Cash Flows

Proprietary Funds - Year Ended June 30, 2025

	<u>Utility System</u>
<u>Cash flow from operating activities:</u>	
Cash received from customers	\$ 1,127,974
Cash payments to suppliers of goods and services	(388,034)
Cash payments to employees for services	<u>(209,890)</u>
Net cash provided (used) by operating activities	<u>530,050</u>
<u>Cash flows from non-capital financing activities:</u>	
Transfers Out	<u>(280,023)</u>
Net cash provided (used) by non-capital financing activities	<u>(280,023)</u>
<u>Cash flows from capital and related financing activities:</u>	
Grant Proceeds Received	2,649,224
Assets Acquired	(2,650,803)
Debt Proceeds	95,542
Principle paid on revenue bonds	(165,007)
Interest paid on debt instruments	<u>(128,909)</u>
Net cash provided (used) by capital and related financing activities	<u>(199,953)</u>
<u>Cash flows from investing activities:</u>	
Interest and other income	<u>11,115</u>
Net cash provided (used) by investing activities	<u>11,115</u>
Net increase (decrease) in cash	61,189
Beginning cash balance	<u>414,580</u>
Ending cash balance	475,769
Restricted Cash	<u>267,563</u>
Unrestricted Cash	<u>\$ 208,206</u>

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

Town of Oberlin

Statement of Cash Flows (Continued) **Proprietary Funds - Year Ended June 30, 2025**

	<u>Utility System</u>
<u>Reconciliation of operating income (loss)</u> <u>to net cash provided (used) by operating</u> <u>activities</u>	
Operating income (loss)	\$ 50,466
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	431,150
(Increase) decrease in accounts receivable	13,736
(Decrease) increase in accounts and other payables	30,560
(Decrease) increase in meter deposits	<u>4,138</u>
 Net cash provided (used) by operating activities	 <u>\$ 530,050</u>

Supplemental disclosures of cash flow information:

During the year ended June 30, 2025, there were no operating, financing, or investing activities that did not result in cash receipts or payments.

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

TOWN OF OBERLIN

Notes To Financial Statements

June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Oberlin (the Town) was incorporated under the provisions of the Lawrason Act. The Town is governed by a Mayor and a Board of Alderman consisting of five (5) members. Services provided by the Town include police protection, street maintenance, and recreation. The Town also operates a water distribution system and a sewer system.

The accompanying policies conform to generally accepted accounting principles for governmental units.

Financial Reporting Entity

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

Governmental Accounting Standards establish criteria for determining which component units should be considered part of the Town of Oberlin for financial reporting purposes. Based on these criteria the Town has no potential component units. The criteria considered are listed as follows:

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

Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize activities as either governmental activities or business-type activities, which are described as follows:

- Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.
- Business-type activities rely on fees and charges for support and operate in a manner similar to private sector enterprises.

The government-wide and fund financial statements present the Town's financial position and results of operations from differing perspectives which are described as follows:

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Town as a whole. The effect of most interfund activity is eliminated from these financial statements. Furthermore,

TOWN OF OBERLIN

Notes To Financial Statements

June 30, 2025

government-wide financial statements exclude fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service or business-type activity. Program revenues include charges for services, fines, court cost, contributions associated with a particular function and most grants.

Fund Financial Statements

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Separate financial statements are provided for governmental funds and business-type (enterprise) funds. In addition, separate financial statements are presented for any fiduciary activities. Major individual funds are reported as separate columns in the fund financial statements. The Town's major funds are described as follows:

Major Governmental Funds

General Fund – The general fund is the primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Sales Tax Fund – The sales tax fund is used to account for the receipt and use of proceeds of a 1% and 0.3% sales and use tax that are legally restricted to expenditures for specific purposes as described in Note 7.

Major Business-Type Funds

Utility System – Used to account for activities associated with providing water, and sewer service to the citizens of Oberlin and customers residing in the surrounding area.

Business-Type funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with the funds ongoing operations. Principal operating revenues are charges to customers for water and sewer service.

Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

<u>Financial Statement Presentation</u>	<u>Basis of Accounting</u>	<u>Measurement Focus</u>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements:		
Governmental Funds	Modified Accrual Basis	Current Financial Resources
Proprietary Funds	Accrual Basis	Economic Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end or due under a cost reimbursement arrangement. In addition, expenses are generally recorded when a liability has been incurred; however, debt service, compensated absences, claims and judgments are recorded as expenses when payment is made. Furthermore, when the current financial

TOWN OF OBERLIN

Notes To Financial Statements

June 30, 2025

resources measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are as reported as other financing sources and repayment of long-term debt is reported as an expenditure.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Restricted Assets:

Restricted assets represent resources that must be expended in a specific manner. Restrictions of this nature are imposed by various contractual obligations including grant agreements and bond covenants. Whenever restricted assets can be used to satisfy an obligation, the restricted assets are typically consumed before utilizing any unrestricted resources.

Budget Practices:

Budgets including any amendments are prepared in the manner prescribed by Louisiana revised statutes. Town budgets present revenue and expenditures on a basis which is consistent with generally accepted accounting principles. Budgets are adopted annually for the general fund and each special revenue fund. The remaining funds are not required to adopt budgets.

Capital Assets

Capital assets, which include property, equipment and infrastructure, are reported as assets in the applicable governmental or business-type columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Assets reported in the fund financial statements for governmental funds exclude capital assets. Instead, the governmental funds report the acquisition of capital assets as expenditures rather than asset acquisitions.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value when received by the Town. Capital assets are depreciated using the straight-line method and estimated useful lives ranging from 4 to 50 years. Useful lives are selected depending on the expected durability of the particular asset.

Cash and Cash Equivalents:

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts and certificates of deposit. Credit risk associated with bank deposits is limited by requiring fiscal agent banks to pledge securities as required by State Law. Furthermore, interest rate risk associated with certificates of deposits is typically mitigated by purchasing instruments that mature in one year or less.

Internal Activity:

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without expectation of repayment, the transaction is reported as a transfer. Transfers are treated as a source of income by the recipient and as an expense or expenditure by the provider. If repayment is eventually expected to occur, interfund receivables and payables are recorded.

In preparing the government-wide financial statements, transfers are eliminated to present net transfers for governmental activities and business-type activities. In addition, interfund receivables and payables are eliminated to present a net internal balance for each type of activity.

TOWN OF OBERLIN

Notes To Financial Statements

June 30, 2025

Compensated Absences

Employees have limited ability to accumulate unused leave and do not have a vested interest in unused leave. Accordingly, there are no liabilities associated with compensated absences.

Fund Balance Classification:

Approval of the majority of the Board of Aldermen is required to approve the commitment of fund balances. In situations where it is permissible to spend restricted or committed resources, the Town typically depletes the available restricted or committed resources before consuming unrestricted resources.

NOTE 2 - CASH AND CASH EQUIVALENTS

At June 30, 2025, cash and cash equivalents included the following amounts:

	Governmental Activities	Business-Type Activities	Total
Cash deposited in banks	\$ 83,776	\$ 267,563	\$ 351,339
Cash Equivalents	----	208,206	208,206
Cash and Cash Equivalents	83,776	475,769	559,545
Restricted Cash	----	208,206	208,206
Unrestricted Cash	<u>\$ 83,776</u>	<u>\$ 267,563</u>	<u>\$ 351,339</u>

Cash deposited in banks is stated at cost, which approximates market. Under state law, these deposits 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. At June 30, 2025, the Town has \$355,163 in deposits (collected bank balance). These deposits are protected by FDIC insurance in the amount of \$250,000 and pledged securities with a market value of \$634,454. The pledged securities are held by the custodial bank in the name of the fiscal agent bank.

Even though the pledged securities are considered uncollateralized, State law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

Cash Equivalents

Cash equivalents consist entirely of amounts invested in the Goldman Sachs Financial Square Government Fund (money market). The primary objective of these money market funds is to provide a safe environment for the placement of public funds in short-term, high quality investments. The portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

Generally accepted accounting principles require disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

The following facts are relevant:

- Credit risk: This fund is rated AAA by Standard & Poor's.
- Custodial credit risk: Due to the investment being in U. S. Government securities, disclosure for custodial credit risk is not necessary.
- Concentration of credit risk: US Government investments are excluded from the 5 percent disclosure requirement.

TOWN OF OBERLIN

Notes To Financial Statements

June 30, 2025

- Interest rate risk: Not applicable.
- Foreign currency risk: Not applicable.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable for the year ended June 30, 2025 are summarized as follows:

	Governmental Activities	Business-Type Activities	Total
<u>Accounts Receivable</u>			
Charges for Services	\$ 21,297	\$ 130,631	\$ 151,928
Franchise Fees	14,985	----	14,985
Allowance for Doubtful Accounts	(21,297)	----	(21,297)
Total Accounts Receivable	<u>14,985</u>	<u>130,631</u>	<u>145,616</u>
 <u>Due From Other Governmental Units</u>			
Sales Taxes	36,181	----	36,181
Insurance Fees	12,458	----	12,458
Grants	----	123,602	123,602
Total Due From Other Governments	<u>48,639</u>	<u>123,602</u>	<u>172,241</u>
 Total Receivables	 <u>\$ 63,624</u>	 <u>\$ 254,233</u>	 <u>\$ 317,857</u>

NOTE 4 – CAPITAL ASSETS

Changes in governmental and business-type capital assets are presented as follows:

	Governmental Activities			Ending Balance
	Beginning Balance	Additions	Disposals	
<u>Non Depreciable Capital Assets</u>				
Land	\$ 193,812	\$ ----	\$ ----	\$ 193,812
Total Non-Depreciable Assets	<u>193,812</u>	<u>----</u>	<u>----</u>	<u>193,812</u>
 <u>Depreciable Capital Assets</u>				
Equipment and Autos	751,955	8,952	----	760,907
Buildings	294,504	----	----	294,504
Infrastructure	1,174,351	----	----	1,174,351
Accumulated Depreciation	(1,411,925)	(118,583)	----	(1,530,508)
Total Depreciable Capital Assets	<u>808,885</u>	<u>(109,631)</u>	<u>----</u>	<u>699,254</u>
 Total Capital Assets	 <u>\$ 1,002,697</u>	 <u>\$ (109,631)</u>	 <u>\$ ----</u>	 <u>\$ 893,066</u>
	Business-Type Activities			
	Beginning Balance	Additions	Disposals	Ending Balance
<u>Non-Depreciable Capital Assets</u>				
Land-Sewer System	\$ 7,224	\$ ----	\$ ----	\$ 7,224

TOWN OF OBERLIN

Notes To Financial Statements

June 30, 2025

	Business-Type Activities			Ending Balance
	Beginning Balance	Additions	Disposals	
<u>Depreciable Capital Assets</u>				
Sewer System				
Infrastructure	\$ 6,419,096	\$1,752,434	\$ ----	\$ 8,171,530
Equipment	168,823	----	----	168,823
Accumulated Depreciation	(2,695,496)	(160,277)	----	(2,855,773)
Total Sewer System	<u>3,892,423</u>	<u>1,592,157</u>	----	<u>5,484,580</u>
Water System				
Equipment	82,078	104,579	----	186,657
Infrastructure	10,306,371	----	----	10,306,371
Accumulated Depreciation	(4,108,585)	(270,873)	----	(4,379,458)
Total Water System	<u>6,279,864</u>	<u>(166,294)</u>	----	<u>6,113,570</u>
 Total Business-type	 <u>\$10,172,287</u>	 <u>\$ 1,425,863</u>	 <u>\$ ----</u>	 <u>\$ 11,598,150</u>

Depreciation expense charged to various functions presented on the statement of activities is presented as follows:

	Governmental Activities	Business-Type Activities	Total
Police Department	\$ 43,456	\$ ----	\$ 43,456
Streets and Facilities	57,871	----	57,871
General Government	5,787	----	5,787
Culture and Recreation	11,469	----	11,469
Sewer System	----	160,277	160,277
Water System	----	270,873	270,873
 Total Depreciation Expense	 <u>\$ 118,583</u>	 <u>\$ 431,150</u>	 <u>\$ 549,733</u>

NOTE 5 – ACCOUNTS AND OTHER PAYABLE

Amounts reported as accounts and other payables are summarized as follows:

	Governmental Activities	Business-Type Activities	Total
Payments Due Vendors	\$ 42,561	\$ 49,675	\$ 92,236
Accrued Wages & Retirement	53,660	3,776	57,436
Construction Payable	----	269,321	269,321
 Total	 <u>\$ 96,221</u>	 <u>\$ 322,772</u>	 <u>\$ 418,993</u>

NOTE 6 - LONG-TERM LIABILITIES

The Town's long-term liabilities are summarized as follows:

TOWN OF OBERLIN

Notes To Financial Statements

June 30, 2025

	Governmental Activities	Business- Type Activities	Total
<u>Long-Term Liabilities</u>			
Installment Purchase Agreement	\$ 97,755	\$ 77,620	\$ 175,375
Revenue Bonds	----	5,245,413	5,245,413
Net Pension liability	475,321	----	475,321
Total Long-Term Liabilities	<u>\$ 573,076</u>	<u>\$ 5,323,033</u>	<u>\$ 5,896,109</u>

Long-term liabilities attributable to the acquisition of the Town's utility system and the operation of the utility system are reported as an obligation of the Town's business-type enterprise funds. Any remaining long-term liabilities are reported as governmental activities. The Town's long-term liabilities are summarized as follows:

	Government al Activities	Business- Type Activities	Total
<u>Debt Instruments</u>			
Revenue Bonds	\$ ----	\$ 5,233,146	\$ 5,233,146
Installment Purchase Agreement	97,755	77,620	175,375
Delayed Issue Costs	----	12,267	12,267
Total Long-Term Debt	<u>97,755</u>	<u>5,323,033</u>	<u>5,420,788</u>
Due Within One Year	32,317	166,294	198,611
Due in More Than One Year	<u>\$ 65,438</u>	<u>\$ 5,156,739</u>	<u>\$ 5,222,177</u>

Debt Instruments

Long-term liabilities include debt instruments that are summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Business-Type Activities</u>				
Revenue Bonds	\$ 5,379,126	\$ ----	\$ 145,980	\$ 5,233,146

A description of the various debt instruments is presented as follows:

Revenue Bonds

\$3,804,000 Water Revenue Bonds Series 2020, bearing interest at a rate of 2.250% payable in monthly installments of \$12,059 with the final installment due in 2060. \$ 3,463,146

\$2,050,000 Sewer Revenue Refunding Bonds Series 2021, bearing interest at rates ranging from 1.75% to 3.00%, payable in installments ranging from \$15,000 to 115,000, with the final installment due in 2046. 1,770,000

Total \$ 5,233,146

TOWN OF OBERLIN

Notes To Financial Statements

June 30, 2025

A schedule of maturities of debt instruments excluding capital leases is presented as follows:

<u>Year Ended June 30th</u>	<u>Principal</u>		<u>Interest</u>	<u>Total</u>
	<u>Water</u>	<u>Sewer</u>		
Business-Type Activities				
2026	\$ 67,480	\$ 80,000	\$ 121,415	\$ 268,895
2027	69,014	80,000	118,481	267,495
2028	70,583	80,000	115,512	266,095
2029	72,188	85,000	112,508	269,696
2020	73,829	85,000	109,378	268,207
2031-2035	395,097	450,000	487,705	1,332,802
2036-2040	442,096	515,000	386,032	1,343,128
2041-2045	494,685	365,000	256,942	1,116,627
2046-2050	553,530	30,000	171,247	754,777
2051-2055	619,375	----	104,165	723,540
2056-2060	605,269	----	30,985	636,250

Total Business-Type	<u>\$3,463,146</u>	<u>\$ 1,770,000</u>	<u>\$ 2,014,370</u>	<u>\$ 7,247,512</u>

Installment Purchase Agreements

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental Activities	\$ 127,893	\$ ----	\$ 30,139	\$ 97,755
Business-Type Activities	----	95,542	17,922	77,620

A description of the various lease agreements are described below:

The Town has entered into an arrangement to acquire four police vehicles necessary to conduct operations. Under the terms of the agreements, the Town is obligated to make fixed payments of \$3,160 over a 60 month period bearing interest of 7%.

\$ 97,755

The Town has entered into an arrangement to acquire a backhoe necessary to conduct operations for the maintenance department. Under the terms of the agreement, the Town is obligated to make fixed payments of \$1,870 over a 60 month period bearing interest of 6.75%

77,620

Total

\$ 175,375

The vehicle and the backhoe acquired under the installment purchase agreement is included in the capital assets described in Note 4. These assets are recorded at the present value of the lease obligation and depreciated on a straight-line basis.

A schedule of maturities is presented as follows:

TOWN OF OBERLIN

Notes To Financial Statements

June 30, 2025

<u>Year Ended June 30th</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 32,317	\$ 5,598	\$ 17,743	\$ 4,697
2027	34,653	3,262	18,978	3,462
2028	30,785	812	20,300	2,140
2029	----	----	20,599	727
Total	<u>\$ 97,755</u>	<u>\$ 9,672</u>	<u>\$ 77,620</u>	<u>\$ 11,026</u>

NOTE 7 – TAXES:

Ad Valorem Taxes:

The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Allen Parish. Property taxes are limited to an assessment for general alimony as permitted by State Law. Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Revenues from ad valorem taxes are recognized as revenue in the year billed by the Town's General Fund.

Sales Taxes:

Sales taxes are collected by the Parish of Allen and remitted to the Town on a monthly basis. For the year ended June 30, 2025 the Town has levied sales taxes described as follows:

- A 1.0% dedicated sales tax available for the purposes of constructing, acquiring extending, improving, and/or maintain the sewer and water systems, streets, recreational facilities and fire protection facilities and equipment, and purchasing and acquiring the necessary land, equipment and furnishings for any of the forgoing public works, improvements and facilities.
- A 0.3% dedicated sales tax allocated:
 - 70% for constructing, improving, maintaining, and operating public streets, sidewalks, and alleys, and
 - 30% for acquiring, constructing, improving, maintaining operating recreational facilities.

NOTE 8- RISK MANAGEMENT

The Town is exposed to various risk of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town insures against these risks by participation in public entity risk pools that operate as common insurance programs and by purchasing commercial insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 9 – RESTRICTIONS AND COMMITMENTS

Details regarding limitations imposed on the use of various resources are summarized as follows:

Sales Taxes

The Town has collected taxes that are dedicated to specific services. Amounts that are subject to this dedication are reported as restricted as discussed in Note 7.

Cemetery Fund

The Town maintains a cemetery. Amounts are maintained in the cemetery account are reported as restricted.

TOWN OF OBERLIN

Notes To Financial Statements

June 30, 2025

Bond Covenants

Bond covenants require the Town to establish bank accounts which serve as debt service and depreciation reserves. Funds may be disbursed from these accounts only under specific circumstances described by the bond covenants.

NOTE 10 – PENSION PLANS

The Town's police employees are eligible to be members of a statewide retirement system. This system is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. A summary of amounts reported in connection with participation in this plan is summarized as follows:

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Municipal Police Employees' Retirement System	\$ 475,321	\$ 260,195	\$ 107,092

Municipal Police Employees' Retirement System of Louisiana

Plan Description – All full-time police department employees engaged in law enforcement are eligible to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70800-2250, or by calling (225) 929-7411.

Funding Policy - Plan members are required by state statute to contribute 10 percent of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The contribution requirements of plan members and the Town is established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the plan were equal to the required contributions for the year.

Financial Summary – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available stand alone financial report. The financial report includes information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at lampers.org. The plans net pension liability was determined at June 30, 2024 (measurement date and actuarial valuation date) and details are provided as follows:

TOWN OF OBERLIN

Notes To Financial Statements

June 30, 2025

Total Pension Liability	\$ 3,750,021,042
Plan Fiduciary Net Position	2,844,025,169
Net Pension Liability	<u>905,995,873</u>
Town's Proportionate Share (Percentage)	0.052464%
Town's Proportionate Share (Amount)	<u>\$ 475,321</u>

The net pension liability presented above was not affected by any special funding situations. Changes in the Town's proportionate share of Plan's net pension liability during the measurement period ending June 30, 2024 are provided as follows:

Beginning Net Pension Liability		\$ 707,779
Employer Contributions		(62,847)
<u>Pension Expense</u>		
Proportionate Share of Plan Pension Expense	80,863	
Changes in Proportion	72,963	
Employee Contributions	<u>(13,647)</u>	140,179
Changes in Deferred Outflows of Resources		(202,995)
Changes in Deferred Inflows of Resources		<u>(106,795)</u>
Ending Net Pension Liability		<u>\$ 475,321</u>

There were no changes between June 30, 2024 and the Plan's measurement date that are expected to have a significant effect on the Town's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences Between Expected and Actual Experience	\$ 25,735	\$ 14,379	\$ 11,356
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	13,214	----	13,214
Changes of Assumptions	----	92,713	(92,713)
Changes in Proportion	155,993	----	155,993
Employer Contributions Made After the Measurement Date	<u>65,253</u>	<u>----</u>	<u>65,253</u>
Total Deferrals	260,195	107,092	153,103
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>65,253</u>	<u>----</u>	<u>65,253</u>
Deferrals Subject to Amortization	<u>\$ 194,942</u>	<u>\$ 107,092</u>	<u>\$ 87,850</u>

Deferrals that will be amortized as a component of pension expense in future periods are summarized as follows:

TOWN OF OBERLIN

Notes To Financial Statements

June 30, 2025

<u>For the Year Ending:</u>	
June 30, 2025	\$ 74,933
June 30, 2026	68,249
June 30, 2027	(47,001)
June 30, 2028	<u>(8,331)</u>
Total	<u>\$ 87,850</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of the measurement date are as follows:

Valuation Date	June 30, 2024	
Actuarial Cost Method	Entry Age Normal Cost	
Investment Rate of Return	6.75% net of investment expense	
Expected Remaining Service Lives	2021-2024 - 4 Years Each	
Inflation Rate	2.50 %	
Projected Salary Increases Including Inflation and Merit	<u>Years of Service</u>	<u>Salary Growth Rate</u>
	1 – 2	12.30%
	Above 2	4.70%
Mortality	<p>For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.</p> <p>For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.</p> <p>For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.</p>	
Cost-of-Living Adjustments	<p>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.</p>	

TOWN OF OBERLIN

Notes To Financial Statements

June 30, 2025

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

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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Equity	52.00%	3.14%
Fixed Income	34.00%	1.07%
Alternatives	14.00%	1.03%
Totals	<u>100.00%</u>	<u>5.24%</u>
Inflation		<u>2.64%</u>
Expected Arithmetic Nominal Return		<u>7.86%</u>

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

Sensitivity to changes in the discount has been determined by measuring net pension liability at a discount rate that is one percentage point lower and one percentage point higher than the current rate. The results are presented as follows:

	<u>1% Decrease 5.75% Discount</u>	<u>Current Discount Rate 6.75%</u>	<u>1% Increase 7.75% Discount</u>
Net Pension Liability	\$ 706,079	\$ 475,322	\$ 282,684

NOTE 11 - LEASES

The Town has entered into various leasing arrangements to acquire equipment necessary to conduct operations. Under to the terms of the agreements, the Town is obligated to make fixed payments over three to five years. The value of the leased equipment has been determined as follows:

Governmental Activities	
Leased Equipment	\$ 159,894
Accumulated Amortization	(136,811)
Leased Assets	<u>\$ 23,083</u>

TOWN OF OBERLIN

Notes To Financial Statements

June 30, 2025

The lease obligation at year end are summarized below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>
<u>Governmental-Activities</u>						
Leased Equipment	\$ 60,940	\$ ----	\$ 36,062	\$ 24,878	\$ 22,925	\$ 1,953

Principal and interest requirement associated with the underlying lease obligation are presented as follows:

<u>Year Ended June 30th</u>	<u>Governmental Activities</u>	
	<u>Principal Installments</u>	<u>Interest</u>
2026	\$ 22,925	\$ 576
2027	1,952	6
Total Payments	\$ 24,878	\$ 582

NOTE 12 – TRANSFERS

In the ordinary course of business, the Town routinely transfers resources between its funds to utilize resources where needed. Transfers during the year ended June 30, 2025 are summarized as follows:

<u>Governmental Funds</u>	<u>Operating Transfers In/(Out)</u>
General Fund	\$ 526,027
Sales Tax Fund	(246,004)
Cemetery	----
	<u>280,023</u>
<u>Business-Type Funds</u>	
Utility System	<u>(280,023)</u>
Total Business-Type	<u>(280,023)</u>
Net Transfers	<u>\$ ----</u>

NOTE 13 – CONTINGENCIES:

Existing conditions that may have financial consequences are referred to as contingencies. Contingencies existing at June 30, 2025 are described as follows:

Litigation

Like most governmental units with extensive and diverse operations, the Town is occasionally named as a defendant in litigation. Based on analysis of pending and threatened matters, exposure to loss is limited to paying deductibles necessary to utilize insurance coverage.

Grant Compliance

The Town receives state and federal assistance through various grant programs. Management is confident that all significant grant conditions have been met; however, grantor agencies routinely review grant activity and could request reimbursement if a dispute occurs regarding compliance with grant conditions.

TOWN OF OBERLIN

Notes To Financial Statements

June 30, 2025

Municipal Police Employees Retirement System

A Town officer has alleged that the Town should have been a member of the Municipal Police Employees Retirement System (MPERS) for the years January 1, 2003 through March 15, 2010. This employee has requested and received a calculation from MPERS demonstrating that the Town could owe \$164,025 in back retirement contributions. However, this calculation does not include any other officers who may have worked during this time period. In addition, due to a lack of records from this time period, the Town is unable to ascertain whether it was actually a participant in the Plan or whether any of these employees had opted to not participate. Due to these uncertainties, the Town is unable to determine if any actual amounts are owed.

Subsequent to year end, the Town received a "Certification of Delinquency" from the retirement system requesting the treasurer withhold funds of \$23,842.10. In lieu of having grant funding withheld, the Town elected to pay this balance subsequent to year end. Due to this contingency being outstanding and the \$23,842.10 now being probable, this amount has been reported as a current year payable.

NOTE 14 – ON BEHALF PAYMENTS

The State of Louisiana provides supplemental pay for public safety employees that meet certain requirements. Amounts reported as revenue and expenditures in connection with State Supplemental Pay are presented as follows:

Police Department	\$ 18,000
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NOTE 15 – LOCAL SERVICES AGREEMENT

The Council on Aging and Allen Parish Library are located on real estate owned by the Town. The Town had entered into a local services agreement with the Allen Parish Libraries Board of Control, a component unit of the Allen Parish Police Jury. The current administration is working to obtain the original contract but attempts have been unsuccessful at year end.

Town of Oberlin

General Fund
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2025

	General Fund				
	Budget Amounts		Variance - Original Budget and	Actual	Variance with Final Budget and
	<u>Original</u>	<u>Final</u>	<u>Final Budget</u>	<u>Amounts</u>	<u>Actual</u>
Total Revenues	\$ 938,600	\$ 1,331,736	\$ (393,136)	\$ 488,491	\$ (843,245)
Total Expenditures	<u>1,239,600</u>	<u>1,349,270</u>	<u>(109,670)</u>	<u>1,088,369</u>	<u>260,901</u>
Excess (Deficiency) of Revenue Over Expenditures	(301,000)	(17,534)	(283,466)	(599,878)	(1,104,146)
<u>Other Financing Sources (Uses):</u>					
Proceeds from Debt	-	-	-	-	-
Operating Transfers In (Out)	<u>175,000</u>	<u>173,180</u>	<u>1,820</u>	<u>526,027</u>	<u>352,847</u>
Net Change in Fund Balance	<u>(126,000)</u>	<u>155,646</u>	<u>(281,646)</u>	<u>(73,851)</u>	<u>(751,299)</u>

Note to Budgetary Comparison Schedule

The final budget was adjusted from the original amount to account for increases in revenues, transfers, and expenditures during the year.

Actual revenues were greater than the final budget amounts due to greater ticket revenues. Expenditures and transfers were less than budgeted. Variances related to expenditures were due to actual expenditures being less than budgeted. Actual transfers also were less than budgeted transfers.

Town of Oberlin

Sales Tax Fund
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2025

Sales Tax Fund

	Budget Amounts		Variance - Original Budget and	Actual Amounts	Variance with Final Budget
	Original	Final	Final Budget		Positive (Negative)
	Original	Final	Final Budget		Positive (Negative)
Total Revenues	\$ 175,000	\$ 173,180	\$ 1,820	\$ 270,419	\$ 97,239
Total Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	175,000	173,180	1,820	270,419	97,239
<u>Other Financing Sources (Uses):</u>					
Operating Transfers In (Out)	(175,000)	(173,180)	(1,820)	(246,004)	(72,824)
Net Change in Fund Balance	-	-	-	24,415	24,415

Note to Budgetary Comparison Schedule

The final budget was consistent with the original amount and the variance was insignificant.

Actual amounts were greater than the final budget. Variances were due to the Town receiving significantly more sales tax than was anticipated when the budget was prepared.

Town of Oberlin

Schedule of Net Pension Liability Data Cost Sharing Retirement Systems

Retirement System /	Share of Collective		Covered	Net Pension	Pension
	Net Pension Liability				
Measurement Date	Percent	Amount	Payroll	Percentage	Fiduciary
				of Covered	Net Position
				Payroll	as a
					Percentage
					of Total
					Pension
					Liability
Municipal Employees' Retirement System					
June 30, 2015	0.02%	145,900	91,909	158.7%	68.7%
June 30, 2016	0.01%	132,550	149,606	88.6%	63.3%
June 30, 2017	0.01%	111,514	193,049	57.8%	62.5%
June 30, 2018	0.02%	133,439	193,049	69.1%	65.6%
June 30, 2019	0.01%	106,083	159,858	66.4%	66.1%
June 30, 2020	0.01%	129,744	178,185	72.8%	66.2%
June 30, 2021	0.01%	76,019	160,721	47.3%	79.1%
June 30, 2022	0.04%	420,994	179,400	234.7%	69.6%
June 30, 2023	0.07%	707,779	184,944	382.7%	71.3%
June 30, 2024	0.05%	475,321	183,297	259.3%	75.8%

Town of Oberlin

Schedule of Employer Contributions Cost Sharing Retirement Systems

Retirement System / Fiscal Year Ending	Statutorily Required Employer Contributions	Contributions Recognized By the Pension Plan	Difference Between Required and Recognized Contributions	Covered Payroll	Contributions Recognized as a Percentage of Covered Payroll
Municipal Employees' Retirement System					
June 30, 2015	17,554	17,554	-	91,909	19.10%
June 30, 2016	11,868	11,686	182	149,606	7.81%
June 30, 2017	13,238	13,237	1	193,049	6.86%
June 30, 2018	13,140	13,247	(107)	193,049	6.86%
June 30, 2019	14,061	14,043	18	159,858	8.78%
June 30, 2020	15,318	15,318	-	178,185	8.60%
June 30, 2021	15,907	15,907	-	160,721	9.90%
June 30, 2022	37,826	37,826	-	179,400	21.08%
June 30, 2023	62,742	70,921	(8,179)	184,944	38.35%
June 30, 2024	65,253	62,742	2,511	183,297	34.23%

Town of Oberlin

Schedule of Compensation Paid to Elected Officials For the year ended June 30, 2025

Larry Alexander	\$ 14,400
Abraham McCleon	3,600
Christopher Davis	3,600
Gary Marcantel	3,600
Janice Simons	3,600
Ryan Rozas	<u>3,600</u>
Total Compensation	<u>\$ 32,400</u>

Town of Oberlin

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer Year Ended June 30, 2025

Agency Head (Mayor)

	Larry Alexander
Compensation	<u>\$ 14,400</u>
Benefits	-
Reimbursements	-
	<u>\$ 14,400</u>

Town of Oberlin

**Justice System Funding Schedule - Collecting / Disbursing Entity as Required by Act 87 of the
2020 Regular Legislative Session
For the Year Ended June 30, 2025**

	First Six Month Period Ended December 31, 2024	Second Six Month Period Ended June 30, 2025
Cash Basis Presentation		
Beginning Balance of Amounts Collected	<u>\$ -</u>	<u>\$ -</u>
Add: Collections		
Criminal Court Costs/Fees	<u>115,550</u>	<u>84,807</u>
Subtotal Collections	<u>115,550</u>	<u>84,807</u>
Less: Disbursements to Governments & Nonprofits		
Criminal Court Cost / Fees		
Louisiana Commission on Law Enforcement	4,757	3,046
CMIS Trial Court Case Management System	503	322
Less: Amounts Retained by Town		
Self Disbursed Court Costs	<u>110,290</u>	<u>81,439</u>
Subtotal Disbursements / Retainage	<u>115,550</u>	<u>84,807</u>
Ending Balance of Amounts Collected but not Disbursed	<u>\$ -</u>	<u>\$ -</u>
Other Information:		
Total Waivers During the Fiscal Period	-	-

Town of Oberlin

Schedule of Expenditures of Federal Awards For the year ended June 30, 2025

<u>Federal Grantor / Pass-through Grantor / Program Title</u>	Assistance Listing Number	Federal Expenditures
Department of the Treasury		
State of Louisiana, Division of Administration, Office of Community Development		
"COVID-19" - Coronavirus State and Local Fiscal Recovery Funds - Water Sector	21.027	\$ 1,652,336
Total Department of the Treasury		<u>1,652,336</u>
Department of the Housing and Urban Development		
State of Louisiana, Division of Administration, Office of Community Development		
Community Development Block Grant	14.228	<u>11,262</u>
Total Department of the Housing and Urban Development		<u>11,262</u>
Total Expenditure of Federal Awards		\$ <u>1,663,598</u>

Note

The schedule of expenditures of federal awards was prepared in conformity with generally accepted accounting principles. See Note 1 of the accompanying financial statements for further details. Furthermore, the Town of Oberlin has not used the 10% de minimus indirect cost rate.



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM

To the Honorable Mayor
and the Board of Aldermen
Town of Oberlin, Louisiana

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited Town of Oberlin'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's major federal programs for the year ended June 30, 2025. The Town'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 Oberlin 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 June 30, 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 the Town of Oberlin 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 the Town'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 the Town of Oberlin'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 the Town of Oberlin'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



Rozier, McKay & Willis
Certified Public Accountants
Voice: 318.442.1608

160 Browns Bend Road
Alexandria, Louisiana 71303
Online: CenlaCPAs.com

Town of Oberlin

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 the Town'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 the Town of Oberlin'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 the Town of Oberlin'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 the Town'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.



Rozier, McKay & Willis
Alexandria, Louisiana
February 2, 2026

TOWN OF OBERLIN

Summary of Findings and Questioned Costs

June 30, 2025

PART I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

- The Independent Auditor's Report on the financial statements for the Town of Oberlin as of June 30, 2025 and for the year then ended expressed opinions as follows.

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
General Fund	Unmodified
Sales Tax Fund	Unmodified
Utility Fund	Qualified
Aggregate Remaining Fund Information	Unmodified

- No control deficiencies were disclosed during the audit of the financial statements. Accordingly there were no material weaknesses.
- The audit disclosed four findings related to noncompliance required to be reported.

Federal Awards

- No deficiencies in internal control over major federal award programs were disclosed during the audit. Accordingly, there were no material weaknesses applicable to major federal award programs.
- The Independent Auditor's Report on Compliance for each Major Program and on Internal Control over Compliance required by the Uniform Guidance expressed an unmodified opinion on compliance for major programs.
- The audit did not disclose any audit findings which are required to be reported as findings and questioned cost in connection with Federal Programs.
- Major Programs for the year ended June 30, 2025 are presented as follows:

Department of the Treasury
Passed through the Louisiana Office of Community Development
Assistance Listing No. 21.027 – "COVID-19" Coronavirus State and Local Fiscal Recovery Funds

- A threshold of \$750,000 was used for distinguishing between type A and Type B Programs for purposes of identifying major programs.
- The Town of Oberlin was not considered a low-risk auditee as defined by the Uniform Guidance

PART II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:

2025-001: Non Compliance with Bond Covenants

- Criteria: In exchange for fees, the Town provides residents with utility service including water and sewage disposal.
- Condition: Operation of the utility system has not produced sufficient income to cover the bond covenant requirements or to set aside funds required by the USDA.
- Cause: Failure to properly increase rates as costs have increased.
- Effect: Without an adequate rate structure, the Town is not in compliance with debt covenants.

TOWN OF OBERLIN

Summary of Findings and Questioned Costs

June 30, 2025

- Recommendation: In order to provide income necessary to sustain operations and repay creditors, we suggest altering the Town's utility rate structure to provide additional revenue needed to meet the utility system's obligations.

2025-002: Failure to Comply with Continuing Disclosure Requirements

- Criteria: Certain debt issues require compliance with SEC Continuing Disclosure Requirements.
- Condition: The Town failed to submit financial information to the Electronic Municipal Market Access portal.
- Cause: Management was unaware of such requirements.
- Effect: Failure to properly submit financial information violates the Town's debt covenants.
- Recommendation: We recommend the Town submit financial information to the portal in the future.

2025-003: Collections on Behalf of Other Entities

- Criteria: The Town is required to remit certain fines, fees, and court costs to various entities monthly based on ticket collections.
- Condition: The Town is not properly remitting these amounts.
- Cause: The Town Clerk did not remit the amounts as required.
- Effect: The Town is in violation of Revised Statutes by not remitting these amounts.
- Recommendation: We recommend the Town Clerk should receive training to determine which amounts to remit to other entities.

2025-004: Budgeting

- Criteria: Louisiana Revised Statutes prohibit unfavorable variances from exceeding 5% of budgeted amounts.
- Condition: In the current year, unfavorable variances exceeded 5% of budgeted amounts.
- Cause: The Town didn't make sufficient amendments to the budget once the Town realized that unfavorable variances exceeded 5% of budgeted amounts.
- Effect: The Town was not in compliance with the Louisiana Government Budget Act.
- Recommendation: The Town should implement policies and procedures to ensure that the budget is amended whenever variances exceed amounts allowed by the Louisiana Government Budget Act.

TOWN OF OBERLIN

Management's Corrective Action Plan

June 30, 2025

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
<u>FINDINGS</u>	<u>RESPONSE</u>
<p><u>2025-001: Non Compliance with Bond Covenants</u> In exchange for fees, the Town provides residents with utility service including water and sewage disposal. Operation of the utility system has not produced sufficient income to cover the bond covenant requirements. In addition, the Town has not segregated the monthly amounts required for the water system debt.</p>	<p><u>Response:</u> We have increased rates and cut costs. We will continue to monitor our rate structure in order to comply with the bond covenants.</p>
<p><u>2025-002: Failure to Comply with Continuing Disclosure Requirements</u> Management is required to submit financial information to the EMMA portal for certain debt issues as required by the SEC. The financial statements have not been submitted to the portal for the sewer debt. We recommend management begin submitting the financial statements to the portal.</p>	<p><u>Response:</u> We will begin submitting financial statements to the EMMA portal.</p>
<p><u>2025-003: Collections on Behalf of Other Entities</u> Fees related to tickets were not remitted timely as required by revised statutes.</p>	<p><u>Response:</u> We will begin remitting the amounts monthly as required.</p>
<p><u>2025-004: Budgeting</u> The budget was not amended as required.</p>	<p><u>Response:</u> We will closely monitor the budget and amend as necessary in the future.</p>

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
<u>Findings</u>	<u>Response</u>
<p>No Findings of this nature.</p>	<p>No response necessary</p>

SECTION III MANAGEMENT LETTER	
<u>FINDINGS</u>	<u>RESPONSE</u>
<p>No Findings of this nature were reported.</p>	<p>No response necessary</p>

TOWN OF OBERLIN

Summary of Prior Year Findings

June 30, 2025

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
<u>FINDINGS</u>	<u>RESPONSE</u>
<p><u>2024-001: Non Compliance with Bond Covenants</u> In exchange for fees, the Town provides residents with utility service including water and sewage disposal. Operation of the utility system has not produced sufficient income to cover the bond covenant requirements.</p>	<p><u>Unresolved:</u> See Finding 2025-001</p>
<p><u>2024-002: Failure to Comply with Continuing Disclosure Requirements</u> Management is required to submit financial information to the EMMA portal for certain debt issues as required by the SEC. The financial statements have not been submitted to the portal for the sewer debt. We recommend management begin submitting the financial statements to the portal.</p>	<p><u>Unresolved:</u> See Finding 2025-002</p>
<p><u>2024-003: Late Filing of Audit</u> The Town did not file the current year audit with the time frame allowed by law.</p>	<p><u>Resolved:</u> Though this report is being remitted after the due date, and extension was granted due to the late release of the compliance supplement.</p>
<p><u>2024-004: Failure to Maintain Adequate Documents and Records Regarding Payroll</u> The Town Clerk did not prepare a time sheet for each payroll and supervisor signatures were documented on time sheets.</p>	<p><u>Resolved:</u> Proper time sheets were maintained by the staff.</p>
<p><u>2024-005: Improper Controls over Traffic Tickets</u> Proper documentation was not maintained for traffic citations.</p>	<p><u>Resolved:</u> We have improved our processes to ensure proper controls over traffic tickets.</p>

SECTION III MANAGEMENT LETTER	
<u>FINDINGS</u>	<u>RESPONSE</u>
<p><u>No Findings of this nature.</u></p>	<p><u>No response necessary</u></p>

APPENDIX A
Statewide Agreed-Upon Procedures



Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the Town of Oberlin and
the Louisiana Legislative Auditor:

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

The entity 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 described above. 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.

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

We are required to be independent of the entity 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.

A handwritten signature in blue ink, appearing to read 'Rozier, McKay & Willis'.

Rozier, McKay & Willis
Certified Public Accountants
Alexandria, Louisiana
February 2, 2026



Rozier, McKay & Willis
Certified Public Accountants
Voice: 318.442.1608

160 Browns Bend Rd
Alexandria, Louisiana 71303
Online: CenlaCPAs.com

Town of Oberlin

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Written Policies and Procedures		
Agreed-Upon Procedure	Results	Managements' Response
<p>1 Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories.</p> <ul style="list-style-type: none"> • Budgeting • Purchasing • Disbursements • Receipts • Payroll/Personnel • Contracting • Credit Cards • Travel and expense reimbursements • Ethics • Debt Service • Disaster Recovery / Business Continuity • Sexual Harassment 	<p>The Town maintains a comprehensive personnel policy which includes sexual harassment.</p> <p>Exceptions are listed as follows:</p> <ul style="list-style-type: none"> •Budgeting •Purchasing •Disbursements •Receipts •Contracting •Credit Cards •Ethics •Debt Service •Information Technology 	<p><i>Despite the absence of formal written procedures, we have an established process for addressing the relevant matters and we will consider documenting the process as part of our written procedures.</i></p>

Town of Oberlin

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
<p>2 Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:</p> <p>a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.</p> <p>b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. <i>Alternately, for those entities reporting on the non-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.</i></p> <p>c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes</p>	<p>Meetings were held with the necessary frequency.</p> <p>The Council is presented a monthly financial report. No budget-to-actual comparisons are presented to the council.</p> <p>For the previous year the general fund reported a positive unrestricted fund balance.</p>	<p><i>No findings or criticisms were reported.</i></p> <p><i>We began providing budget-to-actual comparisons in the subsequent period.</i></p> <p><i>No findings or criticisms were reported.</i></p>

Town of Oberlin

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
<p>for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.</p> <p>d) 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.</p>	<p>No updates were reported in the minutes.</p>	<p><i>In the future, we intend to include resolution of audit findings as part of the regular agenda.</i></p>

Town of Oberlin

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Bank Reconciliations		
Agreed-Upon Procedure	Results	Managements' Response
<p>3 Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:</p> <p>a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);</p> <p>b) 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</p> <p>c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.</p>	<p>The list was provided.</p> <p>Reconciliations were not completed within two months of the closing date.</p> <p>No evidence of review by an appropriate party was present.</p> <p>There is no evidence of research on reconciling items outstanding more than 12 months.</p>	<p><i>No findings or criticisms were reported.</i></p> <p><i>The Town was short on staff during the current year which delayed some months financial reporting.</i></p> <p><i>We will have an appropriate party review and sign each bank statement.</i></p> <p><i>We will review the bank statements and determine the best course of action for each of the reconciling items.</i></p>

Town of Oberlin

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Collections (excluding EFTs)		
Agreed-Upon Procedure	Results	Managements' Response
b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.	Duties are appropriately segregated.	<i>No findings or criticisms were reported.</i>
c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.	Duties are appropriately segregated.	<i>No findings or criticisms were reported.</i>
d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.	Duties are appropriately segregated.	<i>No findings or criticisms were reported.</i>
6 Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.	Appropriate coverage has been maintained.	<i>No findings or criticisms were reported.</i>
7 Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (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) . Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as		

Town of Oberlin

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Collections (excluding EFTs)		
Agreed-Upon Procedure	Results	Managements' Response
a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:		
a. Observe that receipts are sequentially pre-numbered.	Prenumbered receipts are issued as applicable.	<i>No findings or criticisms were reported.</i>
b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.	Receipts and system reports agree with the deposit slip.	<i>No findings or criticisms were reported.</i>
c. Trace the deposit slip total to the actual deposit per the bank statement.	Deposit slips agreed with the bank statements.	<i>No findings or criticisms were reported.</i>
d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).	Deposits were remitted within a single business day.	<i>No findings or criticisms were reported.</i>
e. Trace the actual deposit per the bank statement to the general ledger.	Deposits appearing on the bank statement agree with the general ledger.	<i>No findings or criticisms were reported.</i>

Town of Oberlin

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	Results	Managements' Response
8 Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).	All transactions are processed at the Town's Municipal Complex.	<i>No findings or criticisms were reported.</i>
9 For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:		
a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.	Multiple employees are involved.	<i>No findings or criticisms were reported.</i>
b) At least two employees are involved in processing and approving payments to vendors.	Multiple employees are involved.	<i>No findings or criticisms were reported.</i>
c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.	Due to the nature of the accounting system, it is not practical to limit access to particular components.	<i>This limitation is mitigated by requiring each check to be signed by two parties</i>
d) Either the employee/official responsible for signing checks mails the payment or gives	The employee with signature responsibility is also responsible for mailing payment.	<i>No findings or criticisms were reported.</i>

Town of Oberlin

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	Results	Managements' Response
<p>the signed checks to an employee to mail who is not responsible for processing payments.</p> <p>10 For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:</p> <p>a. Observe that the disbursement matched the related original invoice/billing statement.</p> <p>b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.</p> <p>11 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</p>	<p>Disbursements selected were supported by documentation.</p> <p>Evidence of segregation of duties was present.</p> <p>Evidence of approval was provided</p>	<p><i>No findings or criticisms were reported.</i></p> <p><i>No findings or criticisms were reported.</i></p> <p><i>No findings or criticisms were reported.</i></p>

Town of Oberlin

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	Results	Managements' Response
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.		

Town of Oberlin

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	Results	Managements' Response
<p>12 Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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.</p>	<p>The Town does not utilize credit cards.</p>	<p><i>No findings or criticisms were reported.</i></p>
<p>13 Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:</p> <p>a. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.</p>	<p>The Town does not utilize credit cards.</p>	<p><i>No findings or criticisms were reported.</i></p>
<p>b. Observe that finance charges and late fees were not assessed on the selected statements.</p>	<p>The Town does not utilize credit cards.</p>	<p><i>No findings or criticisms were reported.</i></p>

Town of Oberlin

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	Results	Managements' Response
14 Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).	The Town does not utilize credit cards.	<i>No findings or criticisms were reported.</i>

Town of Oberlin

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Travel and Expense Reimbursement		
Agreed-Upon Procedure	Results	Managements' Response
<p>15 Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:</p> <p>a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).</p> <p>b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.</p> <p>c. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).</p> <p>d. Observe that each reimbursement was reviewed and approved, in writing, by</p>	<p>Per diem rates agreed with the U.S. General Services Administration.</p> <p>Reimbursement was supported by original itemized receipt.</p> <p>Reimbursement purpose was properly documented, except for 1 of the 5 reimbursements selected.</p> <p>Reimbursements are reviewed by someone other than the person receiving the reimbursement.</p>	<p><i>No findings or criticisms were reported.</i></p> <p><i>No findings or criticisms were reported.</i></p> <p><i>The manager will work to properly document business purpose for all reimbursements.</i></p> <p><i>No findings or criticisms were reported.</i></p>

Town of Oberlin

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Travel and Expense Reimbursement		
Agreed-Upon Procedure	Results	Managements' Response
someone other than the person receiving reimbursement.		

Town of Oberlin

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
<p>17 Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.</p>	<p>The list was provided and a selection has been performed.</p>	<p><i>No findings or criticisms were reported.</i></p>
<p>18 Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:</p> <p>a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).</p> <p>b. Observe that supervisors approved the attendance and leave of the selected employees/officials.</p> <p>c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.</p>	<p>Time sheets were properly completed.</p> <p>There was supervisor approval for 1 of the 5 employees selected.</p> <p>Leave taken was properly reported in the accounting records, except for 1 of the 5 employees selected.</p>	<p><i>No findings or criticisms were reported.</i></p> <p><i>The manager will work to ensure supervisor approval for each employee.</i></p> <p><i>The manager will work to properly report leave taken by employees.</i></p>
<p>19 Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination</p>	<p>N/A - Employees are not allowed to accumulate significant amounts of time.</p>	<p><i>No findings or criticisms were reported.</i></p>

Town of Oberlin

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files. 20 Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.	Management has represented that all relevant payments have been made.	<i>No findings or criticisms were reported.</i>

Town of Oberlin

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Ethics		
Agreed-Upon Procedure	Results	Managements' Response
<p>21 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:</p> <p>a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.</p> <p>b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.</p>	<p>Documentation of ethics training was on file for all selected employees.</p> <p>Signature verification was available for all employees.</p>	<p><i>No findings or criticisms were reported.</i></p> <p><i>No findings or criticisms were reported.</i></p>
<p>22 Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.</p>	<p>An appropriate appointment was made.</p>	<p><i>No findings or criticisms were reported.</i></p>

Town of Oberlin

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Debt Service		
Agreed-Upon Procedure	Results	Managements' Response
23 Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.	No new debt was issued during the period.	<i>No findings or criticisms were reported.</i>
25 Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.	The Town is not in compliance with debt covenants.	<i>We will work to set aside the required funds.</i>

Town of Oberlin

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Fraud Notice		
Agreed-Upon Procedure	Results	Managements' Response
23 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.	No misappropriations were reported.	<i>No findings or criticisms were reported.</i>
26 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.	The necessary postings were present physically.	<i>No findings or criticisms were reported.</i>

Town of Oberlin

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Information Technology Disaster Recovery /Business Continuity		
Agreed-Upon Procedure	Results	Managements' Response
<p>27 Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."</p> <p>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.</p> <p>b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.</p> <p>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.</p>	<p>We performed the procedure and discussed the results with management.</p> <p>We performed the procedure and discussed the results with management.</p> <p>We performed the procedure and discussed the results with management.</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p>
<p>28 Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in</p>	<p>We performed the procedure and discussed the results with management.</p>	<p>N/A</p>

Town of Oberlin

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Information Technology Disaster Recovery /Business Continuity		
Agreed-Upon Procedure	Results	Managements' Response
<p>procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.</p> <p>29 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. 42:1267¹. The requirements are as follows:</p> <ol style="list-style-type: none"> 1. Hired before June 9, 2020 - completed the training; and 2. Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment. 	<p>We performed the procedure and discussed the results with management</p>	<p>N/A</p>

¹ While it appears to be a good practice for charter schools to ensure its employees are trained to keep their information technology assets safe from cyberattack, charter schools do not appear required to comply with 42:1267. An individual charter school, though, through specific provisions of its charter, may mandate that all employees/officials receive cybersecurity training.

Town of Oberlin

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Sexual Harassment		
Agreed-Upon Procedure	Results	Managements' Response
<p>30 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.</p>	<p>Three of the five employees did not possess a sexual harassment training certificate.</p>	<p><i>We will require each employee to take the required training.</i></p>
<p>31 Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).</p>	<p>No policy was posted.</p>	<p><i>We will post the policy as required.</i></p>
<p>32 Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:</p> <ul style="list-style-type: none"> a. Number and percentage of public servants in the agency who have completed the training requirements; b. Number of sexual harassment complaints received by the agency; c. Number of complaints which resulted in a finding that sexual harassment occurred; d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and e. Amount of time it took to resolve each complaint. 	<p>No report was filed by the Town.</p>	<p><i>We will file the report in the future</i></p>