Town of Pollock

Annual Financial Report

For the Year Ended December 31, 2025

Rozier McKay & Willis | Certified Public Accountants

TABLE OF CONTENTS

May 18, 2026

Independent Auditors' Report

The Honorable Mayor and
Members of the Board of Alderman
Town of Pollock, Louisiana

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINIONS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Pollock, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Town of Pollock's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Pollock as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINIONS

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

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Pollock'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 Pollock'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 Pollock's ability to continue as a going concern for a reasonable period of time.

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

REQUIRED SUPPLEMENTARY INFORMATION

Accounting principles generally accepted in the United States of America require that the information listed below be presented to supplement the basic financial statements.

- Statements of Revenue, Expenditures and Changes in Fund Balances (Budget vs Actual)
- Schedule of Net Pension Liability Data – Cost Sharing Retirement Systems
- Schedule of Employer Contributions – Cost Sharing Retirement Systems

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.

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

SUPPLEMENTARY INFORMATION

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Pollock'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 – Collecting/Disbursement Entity – Cash Basis Presentation

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 May 18, 2026, on our consideration of the Town of Pollock'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 Pollock'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 Pollock's internal control over financial reporting and compliance.

Rozier, McKay & Willis

Rozier, McKay & Willis
Certified Public Accountants
Alexandria, Louisiana

Town of Pollock

STATEMENT OF NET POSITION

December 31, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 266,117	$ 2,529,025	$ 2,795,142
Receivables	47,918	504,407	552,325
Restricted Cash	-	59,245	59,245
Internal Balances	-	-	-
Capital Assets			
Non Depreciable Capital Assets	1,551,333	220,241	1,771,574
Depreciable Capital Assets, Net	3,110,840	7,419,453	10,530,293
Total Assets	4,976,208	10,732,371	15,708,579
DEFERRED OUTFLOWS			
Pension Funding Deferrals	43,239	49,283	92,522
LIABILITIES			
Cash Overdraft	-	-	-
Accounts and Other Payables	215,683	201,844	417,527
Retainage Payable	53,611	-	53,611
Liabilities Payable from Restricted Assets	-	-	-
Deposits Due Others	-	59,245	59,245
Aggregate Net Pension Liability	227,289	290,762	518,051
Long-Term Liabilities			
Long-Term Debt			
Due Within One Year	-	-	-
Due in More than One Year	-	11,522	11,522
Total Liabilities	496,583	563,373	1,059,956
DEFERRED INFLOWS			
Pension Funding Deferrals	112,998	28,184	141,182
NET POSITION			
Invested in Capital Assets, Net of Related Debt	4,662,173	7,628,172	12,290,345
Restricted For:			
Airport Operations	-	82,240	82,240
Unrestricted	(252,307)	2,479,685	2,227,378
Total Net Position	$ 4,409,866	$ 10,190,097	$ 14,599,963

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

Town of Pollock

STATEMENT OF ACTIVITIES

Year Ended December 31, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	$ 732,425	$ -	$ 41,550	$ -	$ (690,875)	$ -	$ (690,875)
Public Safety - Police Department	522,135	645,457	22,423	-	145,745	-	145,745
Streets, Drainage and Recreation	34,007	-	-	-	(34,007)	-	(34,007)
Sanitation	-	-	-	-	-	-	-
Total Governmental Activities	1,288,567	645,457	63,973	-	(579,137)	-	(579,137)
Business-Type Activities:							
Utility System	2,252,969	2,596,587	36,053	-	-	379,671	379,671
Municipal Airport	9,309	2,100	-	-	-	(7,209)	(7,209)
Total Business-Type Activities	2,262,278	2,598,687	36,053	-	-	372,462	372,462
Total Primary Government	$ 3,550,845	$ 3,244,144	$ 100,026	$ -	(579,137)	372,462	(206,675)
General Revenues:							
Taxes:							
Ad Valorem					-	-	-
Sales Taxes					175,112	-	175,112
Franchise					30,549	-	30,549
Licenses and Permits					48,964	-	48,964
Miscellaneous					85,370	81,724	167,094
Internal Transfers					1,385,350	(1,385,350)	-
Total General Revenues					1,725,345	(1,303,626)	421,719
Change in Net Position					1,146,208	(931,164)	215,044
Net Position Beginning					3,263,658	11,121,261	14,384,919
Net Position Ending					$ 4,409,866	$ 10,190,097	$ 14,599,963

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

Town of Pollock

Balance Sheet
Governmental Funds - December 31, 2025

		General Fund
Assets		
Cash and Cash Equivalents	$	266,117
Restricted Cash		-
Receivables (Net)		47,918
Interfund Receivables		-
Total Assets		314,035
Liabilities and Fund Balance		
Liabilities		
Accounts Payable		215,683
Retainage Payable		53,611
Interfund Payables		-
Total Liabilities		269,294
Fund Balance		
Assigned		
Capital Projects Funds		-
Unassigned		
General Fund		44,741
Total Fund Balances		44,741
Total Liabilities and Fund Balance	$	314,035

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

Town of Pollock

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 December 31, 2025

Total Fund Balances- Governmental Funds	$ 44,741
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	4,662,173
Liabilities not due and payable in the current period are exluded from the Governmental Fund Balance Sheet	(297,048)
Net Position of Governmental Activities	$4,409,866

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

Town of Pollock

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds - Year Ended December 31, 2025

	General Fund
Revenues:	
Taxes:	
Ad Valorem	$ -
Sales	175,112
Franchise Taxes	30,549
Licenses & Permits:	48,964
Intergovernmental	14,220
Fines and Forfeitures	645,457
Other	135,123
Total Revenues	1,049,425
Expenditures:	
Current	
General Government	611,344
Public Safety - Police Department	508,960
Streets	34,007
Recreation	16,276
Capital Expenditures	1,270,434
Total Expenditures	2,441,021
Excess (Deficiency) of Revenues Over Expenditures	(1,391,596)
Other Financing Sources (Uses):	
Operating Transfers In	1,385,350
Operating Transfers Out	-
Net Change in Fund Balances	(6,246)
Fund Balance (Deficit) - Beginning of Year	50,987
Fund Balance (Deficit) - End of Year	$ 44,741

Town of Pollock

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

Year Ended December 31, 2025

Net change in fund balances of Governmental Funds	$ (6,246)
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 exceeded depreciation in the current period, as well as loss on disposals.	1,128,241
Some expenses reported in the statement of activites do not require the use of current financial resources and therefore are not reported as expenditures by governmental funds	24,213
Change in net position of governmental activities	$1,146,208

Town of Pollock

Statement of Net Position
Proprietary Funds - December 31, 2025

	Business-Type Activities - Enterprise Funds		
	Utility System	Non-Major Fund	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	$ 2,446,785	$ 82,240	$ 2,529,025
Receivables (Net)	504,407	-	504,407
Restricted Assets:			
Cash and Cash Equivalents			
Meter Deposits	59,245	-	59,245
Noncurrent Assets:			
Non Depreciable Assets	220,241	-	220,241
Depreciable Assets (Net)	7,418,114	1,339	7,419,453
Total Assets	10,648,792	83,579	10,732,371
DEFERRED OUTFLOWS:			
Pension Funding Deferrals	49,283	-	49,283
LIABILITIES:			
Current Liabilities:			
Accounts Payable	201,844	-	201,844
Retainage Payable	-	-	-
Interfund Payables	-	-	-
Aggregate Net Pension Liability	290,762	-	290,762
Deposits Due Others	59,245	-	59,245
Total current liabilities	551,851	-	551,851
Noncurrent Liabilities:			
Advances from other funds	-	-	-
Long-term debt	11,522	-	11,522
Total Liabilities	563,373	-	563,373
DEFERRED INFLOWS:			
Pension Funding Deferrals	28,184	-	28,184
NET POSITION:			
Invested in Capital Assets, Net of Related Debt	7,626,833	1,339	7,628,172
Restricted For:			
Airport Operations	-	82,240	82,240
Unrestricted	2,479,685	-	2,479,685
Total Net Position	$ 10,106,518	$ 83,579	$ 10,190,097

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

Town of Pollock

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds - December 31, 2025

	Business-Type Activities - Enterprise Funds		
	Utility System	Non-Major Fund	Total
Operating Revenues:			
Charges for Services	$ 2,632,640	$ 2,100	$ 2,634,740
Other	-	-	-
Total Operating Revenues	2,632,640	2,100	2,634,740
Operating Expenses:			
Salaries and Benefits	1,037,055	-	1,037,055
Legal and Professional	26,221	3,710	29,931
Repairs and Maintenance	282,717	-	282,717
Supplies and Chemicals	70,291	-	70,291
Office	20,739	109	20,848
Utilities and Telephone	234,275	2,939	237,214
Depreciation Expense	581,671	2,551	584,222
Total Operating Expenses	2,252,969	9,309	2,262,278
Operating Income (Loss)	379,671	(7,209)	372,462
Nonoperating Revenues (Expenses):			
Interest Income	81,441	283	81,724
Interest Expense	-	-	-
Contributed Capital	-	-	-
Change in Net Position Before Contributions and Transfers	461,112	(6,926)	454,186
Noncapital Subsidies			
Operating Transfers In (Out)	(1,385,350)	-	(1,385,350)
Change in Net Position	(924,238)	(6,926)	(931,164)
Total Net Position - Beginning	11,030,756	90,505	11,121,261
Total Net Position - Ending	$ 10,106,518	$ 83,579	$ 10,190,097

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

Town of Pollock

Statement of Cash Flows
Proprietary Funds - Year Ended December 31, 2025

	Business-Type Activities - Enterprise Funds		
	Utility System	Non-Major Fund	Total
Cash Flow from Operating Activities:			
Cash Received from Customers	$ 2,863,398	$ 2,100	$ 2,865,498
Cash Payments to Suppliers of Goods and Services	(548,258)	(6,758)	(555,016)
Cash Payments to Employees for Services	(1,048,164)	-	(1,048,164)
Net Cash Provided (Used) by Operating Activities	1,266,976	(4,658)	1,262,318
Cash Flows from Non-Capital Financing Activities:			
Repayment of Advance	-	-	-
Change in Interfund Balances	-	-	-
Operating Transfers In (Out)	(1,385,350)	-	(1,385,350)
Ad Valorem Taxes	-	-	-
Net Cash Provided (Used) by Non-Capital Financing Activities	(1,385,350)	-	(1,385,350)
Cash Flows from Capital and Related Financing Activities:			
Capital Expenditures	(272,436)	-	(272,436)
Debt Proceeds	11,522	-	11,522
Contributed Capital	-	-	-
Change in Accrued Loan Interest	-	-	-
Principle Paid on Long-Term Debt	-	-	-
Interest Paid on Long-Term Debt	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(260,914)	-	(260,914)
Cash Flows from Investing Activities:			
Interest and Other Income	81,441	283	81,724
Net Cash Provided (Used) by Investing Activities	81,441	283	81,724
Net Increase (Decrease) in Cash	(297,847)	(4,375)	(302,222)
Beginning Cash Balance	2,803,877	86,615	2,890,492
Ending Cash Balance	2,506,030	82,240	2,588,270
Less Restricted Cash and Cash Equivalents	59,245	-	59,245
Cash and Cash Equivalents	$ 2,446,785	$ 82,240	$ 2,529,025

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

Continued...

Town of Pollock

Statement of Cash Flows (Continued)
Proprietary Funds - Year Ended December 31, 2025

	Business-Type Activities - Enterprise Funds		
	Utility System	Non-Major Fund	Total
Reconciliation of Operating Income (Loss) to Net Cash			
Operating Income (Loss)	$ 379,671	$ (7,209)	$ 372,462
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	581,671	2,551	584,222
(Increase) Decrease in Accounts Receivable	231,757	-	231,757
(Decrease) Increase in Accounts and Other Payables	85,985	-	85,985
(Decrease) Increase in Overall Pension Liability	(11,109)	-	(11,109)
(Decrease) Increase in Meter Deposits	(999)	-	(999)
Net Cash Provided (Used) by Operating Activities	$ 1,266,976	$ (4,658)	$ 1,262,318

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Pollock, Louisiana (the Town) was incorporated under the provisions of the Lawrason Act. The Town is governed by its Mayor and a Board of Aldermen consisting of five members. Services provided to the citizens of Pollock include but are not limited to public safety (police and fire protection), streets, sanitation, water utility service, sewer utility service, and operation of a municipal airport.

The Town's accounting polices conform to generally accepted accounting principles for governmental units. 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. Some of the Town's more significant accounting policies are described as follows:

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 the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) established criteria for determining which component units should be considered part of the Town of Pollock for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

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.

Based upon application of these criteria, there were no potential component units and all of the Town's activities were included in the primary government reporting entity.

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, government-wide financial statements exclude any 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.

MAJOR BUSINESS-TYPE FUNDS

Utility System – The utility system fund is used to account for the operation of the Town's water and sewer system, which is supported by user charges.

Business-Type funds distinguish operating revenues and expenses from nonoperating 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 are recognized and reported in the financial statements. In addition, the 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:

Financial Statement Presentation	Basis of Accounting	Measurement Focus
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
Fiduciary 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 if it is due under a cost reimbursement arrangement. In addition, expenses are generally recorded when a liability has been incurred; however, debt service, claims and judgments are recorded as expenses when payment is made. Furthermore, when the current financial 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 reported as an other-financing source and repayment of long-term debt is reported as an expenditure.

BUDGETARY CONTROL

The Mayor prepares an annual budget for the Town's general fund. This budget is submitted to the Board of Aldermen and an approved budget is adopted before the beginning of each fiscal year. Amended budgets are prepared prior to the conclusion of each fiscal year. The amended budgets are prepared and approved in the same manner as the original budget.

The general fund budget presents revenue and expenditures on a basis which is consistent with generally accepted accounting principles. No annual budget is required for the Town's Utility or Airport Fund.

CASH AND CASH EQUIVALENTS

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments. 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:

Interfund transactions are reported as operating transfers when the recipient fund is not expected to provide repayment. Transactions that are expected to result in repayment are reported as interfund receivables and payables. Any interfund receivables and payables that are not expected to be repaid with one year are classified as advances.

In preparing the government-wide financial statements, internal activity is eliminated to present net amounts for governmental activities and business-type activities.

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.

CAPITAL ASSETS

Capital assets, which include property, equipment and infrastructure acquired after January 1, 2004, 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 3 to 40 years. Useful lives are selected depending on the expected durability of the particular asset.

COMPENSATED ABSENCES

The Town does not accumulate unpaid vacation, sick pay, and other employee benefit amounts because employees are not allowed to carry over significant amounts.

NOTE 2 - CASH AND CASH EQUIVALENTS

Deposits are stated at cost, which approximates market. Under state law, 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 December 31, 2025, the Town had $2,854,234 in deposits ($2,902,207 collected bank balance). These deposits are secured from risk by $250,000 of federal deposit insurance on demand deposits; $250,000 of federal deposit insurance on the Interest-Bearing Accounts for a total of $500,000 and $3,056,083 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

NOTE 3 – RECEIVABLES

Receivables at December 31, 2025 consisted of the following:

	Governmental Activities	Business-Type Activities	TOTAL
Accounts Receivable			
Charges for Services	$ ----	$ 456,206	$ 456,206
Interest Receivable	----	48,201	48,201
Franchise Taxes	7,468	----	7,468
Total Accounts Receivable	7,468	504,407	511,875
Due From Other Governmental Units			
Sales Tax	31,898	----	31,898
Other	8,552	----	8,552
Total Due From Other Governments	40,450	----	40,450
Receivables (Net)	$ 47,918	$ 504,407	$ 552,325

NOTE 4 - LONG-TERM DEBT

Debt attributable to the acquisition of the Town's utility system and the operation of the utility system is reported as an obligation of the Town's business-type enterprise funds. The Town's debts are summarized as follows:

	Business-Type Activities	Total
Revenue Bonds	$ 56,147	$ 56,147
Total Obligations	56,147	56,147
Bond Premium	----	----
Deferred Issue Cost	(44,625)	(44,625)
Total Long-term Debt	11,522	11,522
Due Within One Year	----	----
Due in More Than One Year	$ 11,522	$ 11,522

	Beginning Balance	Additions	Reductions	Ending Balance
Business-Type Activities				
Revenue Bonds	----	67,475	11,328	56,147
Total Business-Type Activities	----	67,475	11,328	56,147
Total Long-term Debts	$ ----	$ 67,475	$ 11,328	$ 56,147

Revenue Bonds

The Town has issued revenue bonds that are secured by and payable solely from a pledge of funds generated by a specific revenue source. Revenue bonds outstanding at December 31, 2025 are described as follows:

$7,800,000 Utility Revenue Bonds Series 2025, bearing an interest rate of 4.5%. The face value of the bonds is available for certain construction costs. The bond matures serially, and will be partially forgiven by the Department of Environmental Quality.	$ 56,147
Total Revenue Bonds	$ 56,147

Maturity of Long-term Debt

A schedule of maturities of long-term debt excluding compensated absences and capital leases is presented as follows:

	Business-Type Activities	
Year Ended June 30th	Principal Installments	Interest
2026	$ ----	$ 203
2027	56,147	253
Total Governmental	$ 56,147	$ 456

NOTE 5 – CAPITAL ASSETS

A summary of capital transactions for the year ended December 31, 2025 follows:

	Non-Depreciable Capital Assets			
	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities				
Land	$ 207,407	$ ----	$ ----	$ 207,407
Donated Property	140,000	----	----	140,000
Construction in Process	189,240	1,208,276	193,590	1,203,926
Total Governmental Activities	$ 536,647	$ 1,208,276	$ 193,590	$ 1,551,333
Business-Type Activities				
Land	$ 20,600	$ ----	$ ----	$ 20,600
Construction in Process	----	199,641	----	199,641
Total Business-Type Activities	$ 20,600	$ 199,641	$ ----	$ 220,241

	Depreciable Capital Assets			
	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities				
Buildings and Improvements	$ 3,658,574	$ 193,590	$ ----	$ 3,852,164
Vehicles	247,638	41,159	----	288,797
Furniture, Fixtures and Equipment	457,145	21,000	----	478,145
Accumulated Depreciation	(1,366,073)	(142,193)	----	(1,508,266)
Total Governmental Activities	$ 2,997,284	$ 113,556	$ ----	$ 3,110,840
Business-Type Activities				
Water Distribution System	$ 4,714,135	$ 10,076	$ ----	$ 4,724,211
Wastewater System	3,109,834	62,719	----	3,172,553
Prison Utility System	10,751,605	----	----	10,751,605
Airport Improvements	181,360	----	----	181,360
Accumulated Depreciation	(10,826,053)	(584,223)	----	(11,410,276)
Total Business-Type	$ 7,930,881	$ (511,428)	$ ----	$ 7,419,453

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

	Governmental Activities	Business-Type Activities	Total
General Government	$ 105,986	$ ----	$ 105,986
Public Safety	36,207	----	36,207
Utility System	---	581,672	581,672
Municipal Airport	---	2,551	2,551
Total Depreciation Expense	$ 142,193	$ 584,223	$ 726,416

NOTE 6 – TAXES

Ad Valorem Taxes:

The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Grant Parish, if mills are levied. For the year ended December 31, 2025, the Town did not levy any mills for general corporate purposes, though it does have the authority to do so 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. There were no material amounts of uncollectible ad valorem taxes at December 31, 2025.

Sales Taxes:
Citizens of the Town have permanently approved a 1.0% sales tax which is to be used for General Fund expenditures. The sales taxes are collected by the Grant Parish Sheriff's Office and remitted to the Town on a monthly basis.

NOTE 7 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks of loss are covered by participation in a public entity risk pool that operates as a common insurance program and by acquiring commercial insurance coverage. Claims resulting from these risks have historically not exceeded insurance coverage.

NOTE 8 - PENSION PLANS

The Town of Pollock's employees are eligible to be members of statewide retirement systems. These systems are cost-sharing, multi-employer defined benefit plans administered by separate boards of trustees. Pertinent information regarding each plan follows:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Municipal Employees' Retirement System	$ 358,796	$ 53,539	$ 30,618
Municipal Police Employees Retirement System	159,255	38,983	110,564
Total	518,051	92,522	141,182
Portion Applicable to Business Type Activities	290,762	49,283	28,184
Portion Applicable to Governmental Type Activities	$ 227,289	$ 43,239	$ 112,998

Municipal Employee's Retirement System of Louisiana
Plan Description- The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Any person eligible for membership whose first employment made him eligible for membership in the System on or after January 1, 2013 shall become a member of the MERS Plan B Tier 2. Any employee whose first employment made him eligible for membership in the system before January 1, 2013 shall become a member of MERS Plan B Tier 1. Under Plan B Tier 1, an employee can retire providing that he or she has 30 years of creditable service, or at age 60 with a minimum of 10 or more years of creditable service. Under Plan B Tier 2, an employee shall be eligible for retirement after age 55 with 30 years of service, 62 with 10 years of service, or 67 with 7 years of service. Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the member's monthly average final compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months.

The System also provides death and disability benefits. Benefits are established or amended by state statue.

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 Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, accessed online at mersla.com, or by calling (225) 925-4810.

Funding Policy - Under Plan B, members are required by state statue to contribute 5.0 percent of their annual covered salary and the Town of Pollock is required to contribute at an actuarially determined rate. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Pollock are established and may be amended by state statue. As provided by Louisiana Revised Statue 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.

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 mersla.com. The plans net pension liability was determined at June 30, 2025 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	$ 316,741,429
Plan Fiduciary Net Position	268,932,307
Net Pension Liability	47,809,122
Town's Proportionate Share (Percentage)	0.750477%
Town's Proportionate Share (Amount)	$ 358,796

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, 2025 are provided as follows:

Beginning Net Pension Liability		$ 439,923
Employer Contributions		(100,576)
Pension Expense		
Proportionate Share of Plan Pension Expense	59,452	
Changes in Proportion	49,875	
Employee Contributions	(28,965)	80,362
Change in Deferred Outflows of Resources		(58,477)
Change in Deferred Inflows of Resources		(2,436)
Ending Net Pension Liability		$ 358,796

There were no changes between December 31, 2025 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences Between Expected and Actual Experience	$ ----	$ 5,008	$ (5,008)
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	----	12,962	(12,962)
Changes of Assumptions	----	8,475	(8,475)
Changes in Proportion	9,264	4,173	5,091
Employer Contributions Made After the Measurement Date	44,275	----	44,275
Total Deferrals	53,539	30,618	22,921
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	44,275	----	44,275
Deferrals Subject to Amortization	$ 9,264	$ 30,618	$ (21,354)

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

For the Year Ending:	
June 30, 2026	$ 26,481
June 30, 2027	(22,624)
June 30, 2028	(17,743)
June 30, 2029	(7,468)
Total	$ (21,354)

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, 2025
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	3 years
Actuarial Assumptions: Investment Rate of Return	6.85 %, Net of Pension Plan Investment Expense
Inflation Rate	2.50 %
Projected Salary Increases	1 – 2 Years of Service (9.0 % Plan A, 9.5% Plan B) More than 2 years (4.4% Plan A, 4.6% Plan B)
Annuitant and Beneficiary Mortality	PubG – 2010(B) Health Retiree Table set equal to 115% for males and 120% for females, each adjusted using their respective male and female MP2021 scales.
Employee Mortality	PubG-2010(B) Employee Table set equal to 115% for males and 120% for females, each adjusted using their respective male and female MP2021 scales.
Disabled Lives Mortality	PubNS-2010(B) Disabled Retiree Table set equal to 115% for males and 120% for females with the full generational MP2021 scale

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Actuarially determined amounts regarding the net pension liability are subject to continual revision as actual results are compared to past expectations, and new estimates are made about the future. The actuarial assumptions used in the June 30, 2025 valuation were based on the results of an experience study, for the period July 1, 2018 through June 30, 2023.

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

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

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

The discount rate used to measure the total pension liability was 6.85%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statues and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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:

	1% Decrease 5.85 % Discount Rate	Current Discount Rate 6.85%	1% Increase 7.85 % Discount Rate
Net Pension Liability	$ 618,921	$ 358,796	$ 138,892

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 joined the retirement system prior to January 1, 2013 and are at least 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 1/2 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 no 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.
For members joining the system after January 1, 2013, eligibility for regular retirement, disability, and survivor benefits are based on Hazardous Duty and Non-Hazardous Duty Sub Plans. Under the Hazardous Duty sup-plan, a member is eligible for regular retirement after he has been a member of the System and has

25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub-plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub-plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

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, assessed online at lampers.org, or by calling (225) 929-7411.

Funding Policy- Plan members are required by state statute to contribute either 8.0 or 10.0 percent of their annual covered salary, based upon their classification as a Hazardous Duty or Non-Hazardous Duty member, and the Town is required to contribute at an actuarially determined rate. The contribution requirements of plan members and the Town are 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 System 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, 2025 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	$ 3,824,098,346
Plan Fiduciary Net Position	3,133,488,618
Net Pension Liability	690,609,728
Town's Proportionate Share (Percentage)	0.023060%
Town's Proportionate Share (Amount)	$ 159,255

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, 2025 are provided as follows:

Beginning Net Pension Liability		$ 321,740
Employer Contributions		(30,828)
Pension Expense		
Changes in Proportion	(10,433)	
Proportionate Share of Plan Pension Expense	15,148	
Employee Contributions	(6,839)	(2,124)
Change in Deferred Outflows of Resources		(39,912)
Change in Deferred Inflows of Resources		(89,621)
Ending Net Pension Liability		$ 159,255

There were no changes between December 31, 2025 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Resources
Differences Between Expected and Actual Experience	$ 7,722	$ 4,213	$ 3,509
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	----	12,545	(12,545)
Changes of Assumptions	----	7,314	(7,314)
Changes in Proportion	21,269	86,492	(65,223)
Employer Contributions Made After the Measurement Date	9,992	----	9,992
Total Deferrals	38,983	110,564	(71,581)
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	9,992	----	9,992
Deferrals Subject to Amortization	$ 28,991	$ 110,564	$ (81,573)

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

For the Year Ending:	
June 30, 2026	$ 4,917
June 30, 2027	(43,888)
June 30, 2028	(37,347)
June 30, 2029	(5,255)
Total	$ (81,573)

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, 2025	
Actuarial Cost Method	Entry Age Normal Cost	
Investment Rate of Return	6.750% per annum, net of investment expense	
Expected Remaining Service Lives	4 Years	
Inflation Rate	2.50 % per annum	
Projected Salary Increases Including Inflation and Merit	Years of Service	Salary Growth Rate
	1-2	13.00 %
	3-Over	4.75 %
Mortality	Healthy Annuitants/ Beneficiaries	PUB-2016, 125% Adj. for M, 125% Adj. for F
	Disabled Annuitants	Pub-2016, 125% Adj. for M, 125% Adj. for F
	Active Members	Pub-2016, 125% Adj. for M, 125% Adj. for F

The actuarial assumptions in the June 30, 2025 actuarial funding valuation and were based on the results of an actuarial experience study for the period July 1, 2019 – June 30, 2024. In cases were benefit structures were changed after the study period, assumptions were based on estimates of future experience.

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2019 through June 30, 2024 and review of similar law enforcement mortality. A change was made for 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 the arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2025 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Equity	51.00 %	3.20 %
Fixed Income	35.00 %	1.21 %
Alternatives	14.00 %	1.04 %
Other	0.00 %	0.00 %
Totals	100.00 %	5.45 %
Inflation		2.67 %
Nominal Return		8.12 %

The discount rate used to measure the total pension liability was 6.750%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the 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:

	1% Decrease 5.75% Discount Rate	Current Discount Rate 6.75%	1% Increase 7.75% Discount
Net Pension Liability	$ 261,232	$ 159,255	$ 73,853

NOTE 9 - RESTRICTED RESOURCES

Restrictions on the Town's resources imposed by various laws, regulations, contracts and grants are summarized as follows:

	Governmental Activities	Business-Type Activities
Restricted Cash	$ ----	$ 59,245
Liabilities Payable from Restricted Assets	----	(59,245)
Total Restricted Retained Earnings	$ ----	$ ----

The Town also operates a municipal airport on property that was originally provided by Federal sources. Restrictions imposed by the donor require resources generated by the property to be used solely for operation of the Airport and maintenance of the property. Accordingly, resources held by the Municipal Airport Fund in the amount of $82,240 have been classified as restricted.

NOTE 10 – CONTINGENCIES

Portions of the Town's Utility Systems are located in the right of way of various state roads. In connection with improvements to the State Highway System, it has been necessary for the town to relocate portions of its service lines. In order to assist with the financial burdens of line relocation, the state has provided Utility Relocation Assistance Funds (URAF) to the town. The URAF program states that such assistance is not a loan and the town is not currently required to repay or reimburse the state for this funding. The town may eventually be required to reimburse/repay these funds in order for the town to have access to state owned right of ways in the future. For the years ended December 31, 2002 and 2003, the town received $120,058 in URAF assistance. The amount of URAF assistance the town has received in years prior to 2002 cannot presently be determined.

The Town is currently involved in pending litigation arising from allegations involving the Police Department, including the Police Chief, who are alleged to have acted outside the scope of their legal authority in the issuance of citations and engaged in misconduct related to the maintenance and administration of public records. The lawsuit seeks various forms of relief, including monetary damages and other remedies. The outcome of this matter cannot presently be determined, and management, in consultation with legal counsel, is unable to estimate the likelihood of an unfavorable outcome or the amount of any potential loss, if any. Accordingly, no liability has been recorded in the accompanying financial statements. Management will continue to monitor the matter and evaluate the need for recognition or disclosure as additional information becomes available.

NOTE 11 – INTERNAL ACTIVITY

The Utility System transferred $1,385,350 to the General Fund for the year ended December 31, 2025. As there is no expectation of repayment, the amount has been classified as an operating transfer.

NOTE 12 – CONCENTRATIONS

A Concentration occurs when an entity lacks diversification related to a significant inflow of resources or outflow of resources. The Town of Pollock has assessed that a concentration related to a significant inflow of resources exists regarding the Town's relationship with the Federal Bureau of Prisons.

The Bureau operates several facilities serviced by the Town's utility system. The system heavily relies upon the revenues derived from the prison's operations. For the Year Ended December 31, 2025, 90.10% of the Town's utility revenues were received from the Bureau.

While the revenue received from the Bureau is consistent, risks related to federal government shutdowns and budgetary constraints exist. The risk has been largely mitigated due to the Town's conservative approach to fiscal stewardship, including a lack of debt and significant cash reserves.

Town of Pollock

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

(Budget and Actual) - Year Ended December 31, 2025

	Budget Amounts Original	Budget Amounts Final	Variance - Original Budget and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:					
Taxes:					
Ad Valorem	$ -	$ -		$ -	$ -
Sales Tax	160,000	165,000	5,000	175,112	10,112
Franchise Taxes	90,000	80,000	(10,000)	30,549	(49,451)
License & Permits:	50,000	50,000	-	48,964	(1,036)
Intergovernmental	65,000	35,000	(30,000)	14,220	(20,780)
Fines and Forfeitures	500,000	590,000	90,000	645,457	55,457
Interest	50	150	100	-	(150)
Other	100,000	65,000	(35,000)	135,123	70,123
Total Revenues	965,050	985,150	20,100	1,049,425	64,275
General Government:					
Current					
General Government	972,200	933,000	(39,200)	627,620	305,380
Public Safety- Police Department	435,000	1,438,015	1,003,015	508,960	929,055
Sanitation	3,200	-	(3,200)	-	-
Streets	-	-	-	34,007	(34,007)
Capital Expenditures	-	-	-	1,270,434	(1,270,434)
Total Expenditures	1,410,400	2,371,015	960,615	2,441,021	(70,006)
Excess (Deficiency) of Revenues Over Expenditures	(445,350)	(1,385,865)	(940,515)	(1,391,596)	(5,731)
Other Financing Sources (Uses):					
Operating Transfers In	445,350	1,320,000	874,650	1,385,350	65,350
Operating Transfers Out	-	-	-	-	-
Net Change in Fund Balances	-	(65,865)	(65,865)	(6,246)	59,619
Fund Balance (Deficit) - Beginning of Year	-	50,987	50,987	50,987	-
Fund Balance (Deficit) - End of Year	$ -	$ (14,878)	$ (14,878)	$ 44,741	$ 59,619

Note to Budgetary Comparison Schedule

The original budget was amended to account for additional traffic fines revenue and higher than expected police department expenditures during the year.

Differences between actual amounts and the final budget are favorable. Based on these results, operations were conducted in a manner that emphasized conforming with budgetary constraints.

TOWN OF POLLOCK

Schedule of Net Pension Liability Data
Cost Sharing Retirement Systems

Retirement System / Measurement Date	Share of Collective Net Pension Liability		Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Pension Plans Fiduciary Net Position as a Percentage of Total Pension Liability
	Percent	Amount			
Muncipal Employees' Retirement System					
June 30, 2016	0.59%	486,821	431,495	112.8%	62.1%
June 30, 2017	0.67%	582,922	467,750	124.6%	63.5%
June 30, 2018	0.67%	565,828	514,383	110.0%	65.6%
June 30, 2019	0.71%	619,559	541,408	114.4%	66.1%
June 30, 2020	0.72%	651,572	557,198	116.9%	66.3%
June 30, 2021	0.71%	414,202	549,486	75.4%	79.1%
June 30, 2022	0.54%	472,564	432,724	109.2%	69.6%
June 30, 2023	0.67%	591,911	633,570	93.4%	73.3%
June 30, 2024	0.72%	436,838	655,824	66.6%	80.1%
June 30, 2025	0.75%	358,796	717,960	50.0%	84.9%
Municipal Police Employees' Retirement System					
June 30, 2016	0.03%	284,944	81,123	351.3%	66.0%
June 30, 2017	0.03%	261,433	69,680	375.2%	70.08%
June 30, 2018	0.01%	86,739	52,335	165.7%	71.89%
June 30, 2019	0.02%	145,752	52,335	278.5%	71.01%
June 30, 2020	0.03%	307,372	102,714	299.3%	70.94%
June 30, 2021	0.03%	146,681	91,675	160.0%	84.09%
June 30, 2022	0.03%	271,356	79,650	340.7%	70.80%
June 30, 2023	0.04%	390,714	119,025	328.3%	71.30%
June 30, 2024	0.04%	321,737	125,185	257.0%	75.84%
June 30, 2025	0.02%	159,255	86,450	184.2%	81.94%

Notes to Schedule

At the present time, management has not identified any factors that are expected to significantly affect trends in the amounts reported above

TOWN OF POLLOCK

Schedule of Employer Contributions
Cost Sharing Retirement Systems

Retirement System / Fiscal Year Ending	Statuatorily 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
Muncipal Employees' Retirement System					
June 30, 2016	40,992	40,992	-	431,495	9.50%
June 30, 2017	56,909	56,909	-	467,750	12.17%
June 30, 2018	70,114	70,114	-	514,383	13.63%
June 30, 2019	75,777	75,777	-	541,408	14.00%
June 30, 2020	78,008	78,008	-	557,198	14.00%
June 30, 2021	85,171	85,171	-	549,486	15.50%
June 30, 2022	67,072	67,072	-	432,724	15.50%
June 30, 2023	98,203	98,203	-	633,570	15.50%
June 30, 2024	101,653	101,653	-	655,824	15.50%
June 30, 2025	100,521	100,521	-	717,960	14.00%
Municipal Police Employees' Retirement System					
June 30, 2016	25,148	25,148	-	81,123	31.00%
June 30, 2017	21,863	21,863	-	69,680	31.38%
June 30, 2018	16,496	16,496	-	52,335	31.52%
June 30, 2019	16,180	16,180	-	52,335	30.92%
June 30, 2020	33,385	33,385	-	102,714	32.50%
June 30, 2021	28,333	28,333	-	91,675	30.91%
June 30, 2022	23,696	24,381	(685)	79,650	30.61%
June 30, 2023	37,195	37,195	-	119,025	31.25%
June 30, 2024	42,469	42,469	-	125,185	33.92%
June 30, 2025	30,776	30,776	-	86,450	35.60%

Town of Pollock

Schedule of Compensation Paid to Board Members
For the Year Ended December 31, 2025

Douglas Beavers	$ 60,834
Kayden Carte	6,000
Kenneth Henry	6,000
Kassandra Hooter	6,000
Sheldon Smith	6,000
Alan D Williams	6,000
Total	$ 90,834

Town of Pollock

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer
For the Year Ended December 31, 2025

Purpose	Douglas Beavers
Salary	$ 60,834
Health Insurance	6,652
Payroll Taxes	4,654
Reimbursements	-
Retirement	-

Louisiana Law requires reporting compensation, benefits and reimbursements provided for the Agency Head or Chief Executive Officer.

Town of Pollock

Justice System Funding Schedule - Collecting / Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session -
Cash Basis Presentation
For the Year Ended December 31, 2025

	First Six Month Period Ended June 30, 2025	Second Six Month Period Ended December 31, 2025
Beginning Balance of Amounts Collected	$ -	$ -
Add: Collections		
Criminal Court Costs/Fines	299,456	346,001
Subtotal Collections	299,456	346,001
Less: Disbursements to Governments & Nonprofits		
North Louisiana Crime Lab - Court Cost	-	2,200
State of Louisiana - CMIS Assessment	-	986
Louisiana Commission on Law Enforcement - Court Cost	-	4,735
Louisiana Supreme Court Assessment	-	2,830
Dept. of Health and Hospitals - Head Injury Fund	-	9,975
Central Louisiana Juvenile Detention Facility	-	19,080
Less: Amounts Retained by Town of Pollock		
Self Disbursed Court Cost	299,456	306,195
Subtotal Disbursements / Retainage	299,456	346,001
Ending Balance of Amounts Collected but not Disbursed	$ -	$ -

Rozier McKay & Willis | CERTIFIED PUBLIC ACCOUNTANTS

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

May 18, 2026

The Honorable Mayor and
Members of the Board of Aldermen
Town of Pollock, 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 Pollock, Louisiana, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Town of Pollock's basic financial statements and have issued our report thereon dated May 18, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Pollock's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Pollock's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Pollock'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 identify two deficiencies in internal control that we consider to be a significant deficiency. These findings are described in the accompanying schedule of findings as 2025-002 and 2025-003.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Town of Pollock's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.* These findings are described in the accompanying schedule of findings as 2025-001 and 2025-004.

TOWN OF POLLOCK'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

Rozier, McKay & Willis
Certified Public Accountants
Alexandria, Louisiana

PART I - SUMMARY OF AUDITOR'S RESULTS:

- The Independent Auditor's Report on the primary government financial statements for the Town of Pollock as of December 31, 2025 and for the year then ended expressed an unmodified opinion.
- The results of the audit disclosed two instances (2025-001 and 2025-004) of noncompliance that is considered to be material to the financial statements of the Town of Pollock.
- The results of the audit disclosed two instances (2025-002 and 2025-003) that are considered to be significant deficiencies over internal controls.

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

Finding 2025-001: Payroll Tax Reporting

- *Criteria:* The Town is required to pay payroll taxes by federal laws.
- *Condition:* The Town did not timely remit all required payroll taxes to the Internal Revenue Service.
- *Effect:* Substantial penalties can result from the Town not properly paying required tax liabilities. In addition, the Town may be in violation of federal law.
- *Cause:* The Town's current process for payroll does not have sufficient oversight to ensure all payments are made timely.
- *Recommendation:* We recommend the Town change its payroll process or outsource the process to a competent third party.

Finding 2025-002: Donation of Funds/Public Expenditures

- *Criteria:* When a municipality accepts a donation, the funds become public, and must be appropriated prior to expenditures. Additionally, accounting functions should be centralized to ensure legal compliance and prudent stewardship of resources.
- *Condition:* In the current year, one of the Town's Police officers solicited donations from a related party to purchase police vehicles for the Town of Pollock. The employee received funds directly from the donor and paid a portion of the proceeds directly to the vendor, circumventing the Town's centralized accounting policies and controls.
- *Cause:* The employees lack knowledge of essential components of the Town's accounting processes and governmental requirements in general caused a breakdown in the Town's accounting policies over these purchases.

- *Effect:* The Town may not have been in compliance with Louisiana Revised Statutes regarding the receipt of donations and expenditures of public funds.

- *Recommendation:* We recommend that all donations be received directly by the Town, in accordance with Louisiana Revised Statutes. In addition, we suggest that the Town limit who is enabled to solicit donations on behalf of the Town, to prevent instances of breakdowns in control in the future.

Finding 2025-003: Potential Misappropriation

- *Criteria:* Theft is the misappropriation or taking of anything of value which belongs to another, either without consent of the other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations.

- *Condition:* In the current year, one of the Town's police officers solicited donations from a related party to purchase police vehicles for the Town of Pollock. The Town employee received $49,100 in donations and wired $41,157.49 to purchase the vehicles in accordance with the donor's wishes.

- *Effect:* The police officer receiving the donations received $7,942.51 more than he utilized for the purpose of donations, which may have been a misappropriation in violation of Louisiana Revised Statutes.

- *Cause:* The Town's lack of awareness of these transactions while they occurred enabled the employee to receive these excess funds.

- *Recommendation:* We recommend that the Town report this to law enforcement. We also recommend that all donations be received directly by the Town, in accordance with Louisiana Revised Statutes. In addition, we suggest that the Town limit who is enabled to solicit donations on behalf of the Town, to prevent instances of breakdowns in control in the future.

Finding 2025-004: Fine Structure

- *Criteria:* The Town of Pollock has passed an ordinance establishing a fine structure for traffic violations enforced by the Town's police force.

- *Condition:* The Town did not follow the established ordinances in all cases, and auditors found several examples of individuals charged more or less than the established ordinance.

- *Effect:* The Town was not in compliance with established ordinances.

- *Cause:* The Town's administrative clerks inadvertently did not follow Town ordinances by charging some offenders incorrect amounts.

- *Recommendation:* We recommend that the Town's administrative staff have further training on the Town's established fine structure and update the court reporting system to accurately reflect all fines assessed for particular violations.

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
FINDINGS:	**RESPONSE:**
Finding 2025-001 Payroll Tax Reporting The Town did not make all of its required payroll tax deposits by statutorily set deadlines, causing the Town to be in violation of federal law.	**Response:** We have begun to amend the payroll process to ensure effective oversight.
Finding 2025-002 Donation of Funds/Public Expenditures One of the Town's Police officers solicited donations from a related party to purchase police vehicles for the Town of Pollock. The employee received funds directly from the donor and paid a portion of the proceeds directly to the vendor, circumventing the Town's centralized accounting policies and controls.	**Response:** We will ensure all donations are received directly by the Town, and that all employees are properly trained and educated regarding the accounting procedures and legal requirements for expenditures of public funds.
Finding 2025-003 Potential Misappropriation One of the Town's police officers solicited donations from a related party to purchase police vehicles for the Town of Pollock. The Town employee received $49,100 in donations and wired $41,157.49 to purchase the vehicles in accordance with the donor's wishes.	**Response:** We will ensure all donations are received directly by the Town, and that all employees are properly trained and educated regarding the accounting procedures and legal requirements for expenditures of public funds. We will also limit who is enabled to solicit donations on behalf of the Town.
Finding 2025-004 Fine Structure Fines and court costs collected in connection with traffic tickets have not always conformed with the established rate structure.	**Response:** We will work to allocate additional resources to processing traffic citations.
SECTION II MANAGEMENT LETTER	
N/A – No Management Letter Issued	**Response – N/A**

SECTION I **INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.**	
FINDINGS:	**RESPONSE:**
Finding 2024-001: Public Bid Law Violation In the current year, law enforcement vehicles were purchased without obtaining competitive bids.	**Resolved**
Finding 2024-002: Collections on Behalf of Others The Town did not remit all required amounts collected on behalf of other agencies in a timely manner, and did not file all required forms.	**Resolved**
Finding 2024-003: Utility Rates The Town did not charge utility customers amounts set by ordinance.	**Resolved**
Finding 2024-004 Payroll Tax Reporting The Town did not make all of its required payroll tax deposits by statutorily set deadlines, causing the Town to be in violation of federal law.	**Unresolved: See Finding 2025-001**
SECTION II **MANAGEMENT LETTER**	
N/A – No Management Letter Issued	**Response – N/A**

APPENDIX A
Statewide Agreed-Upon Procedures

Rozier McKay & Willis CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the Town of Pollock and
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Rapides Parish Library (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 January 1, 2025 through December 31, 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.

Rozier, McKay & Willis

Rozier, McKay & Willis
Certified Public Accountants
Alexandria, Louisiana
May 18, 2026

Written Policies and Procedures		
Agreed-Upon Procedure	**Results**	**Managements' Response**
1 Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories. • Budgeting • Purchasing • Disbursements • Receipts • Payroll/Personnel • Contracting • Credit Cards • Travel and expense reimbursements • Ethics • Debt Service • Disaster Recovery / Business Continuity • Sexual Harassment	The Entity has written policies that covered each of the required elements for the following categories: •Payroll/Personnel •Ethics The Town has written policies that covered the following categories, but didn't contain all the required elements •Purchasing The Town didn't have any written policies regarding the following categories •Budgeting •Disbursements •Receipts •Contracting •Credit Cards •Travel and expense reimbursements •Disaster Recovery/Business Continuity •Sexual Harassment Debt Service	***We will work closely with our auditors to adopt policies appropriate for an entity of our size and complexity.***

Board (or Finance Committee)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
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:	Board and committee minutes were reviewed for the fiscal period.	***The results did not include findings or criticisms.***
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.	The governing board met monthly with a quorum.	***The results did not include findings or criticisms.***
b) For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds[1], and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*	Budget-to-Actual comparisons are included as part of the Boards monthly meetings.	***The results did not include findings or criticisms.***

[1]Proprietary fund types are defined under GASB standards and include enterprise and internal service funds. The related procedure addresses these funds as a way to verify that boards are provided with financial information necessary to make informed decisions about entity operations, including proprietary operations that are not required to be budgeted under the Local Government Budget Act.

Board (or Finance Committee)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
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 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.	There were no deficit fund balances in the previous report.	***The results did not include findings or criticisms.***
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.	The board did not receive written updates concerning the progress of resolving audit finding(s).	***The City will work towards providing the Board with these reports in the future.***

Bank Reconciliations			
	Agreed-Upon Procedure	**Results**	**Managements' Response**
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:		
	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);	The bank reconciliations include evidence that they were prepared within two months of the related statement closing date.	***The results did not include findings or criticisms.***
	b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and	A member of management who does not handle cash, post ledgers, or issue checks reviewed each bank reconciliation.	***The results did not include findings or criticisms.***
	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.	There was no documentation reflecting that the Entity had researched reconciling items that have been outstanding for more than 12 months.	***In the future, we will ensure all outstanding items are researched.***

Collections (excluding EFTs)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
4 Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).	All deposits are prepared at Town Hall.	***The results did not include findings or criticisms.***
5 For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:		
a) Employees that are responsible for cash collections do not share cash drawers/registers.	Employees are not required to share a cash drawer or register, and currency is not accepted.	***The results did not include findings or criticisms.***

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.	The employee responsible for collecting cash is not responsible for making/preparing bank deposits.	***The results did not include findings or criticisms.***
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.	The employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers.	***The results did not include findings or criticisms.***
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.	The employee responsible for reconciling cash collections to the general ledger is not responsible for collecting cash.	***The results did not include findings or criticisms.***
6 Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.	All employees of the Town are covered by an employee dishonesty policy.	***The results did not include findings or criticisms.***
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		

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.	Receipts when required were sequentially pre-numbered.	***The results did not include findings or criticisms.***
b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.	Documentation was consistent with deposit slips.	***The results did not include findings or criticisms.***
c. Trace the deposit slip total to the actual deposit per the bank statement.	The deposit slips matched the actual deposit per the bank statement.	***The results did not include findings or criticisms.***
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).	The deposit slips were made within one business day of receipt at Town Hall.	***The results did not include findings or criticisms.***
e. Trace the actual deposit per the bank statement to the general ledger.	The bank statement was consistent with the general ledger.	***The results did not include findings or criticisms.***

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).	A single location is used for processing payments.	***The results did not include findings or criticisms.***
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 in the process.	***The results did not include findings or criticisms.***
b) At least two employees are involved in processing and approving payments to vendors.	Multiple employees are involved in the process.	***The results did not include findings or criticisms.***
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.	The same employee processes payments and modifies vendor files.	***Due to the limited size of the staff, it is not practical to limit access to components of the computerized accounting system.***
d) Either the employee/official responsible for signing checks mails the payment or gives	The same employee who has signatory authority at times mails payment to vendors.	***Due to the limited size of the staff, it is not practical to limit mailing duties to employees***

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
the signed checks to an employee to mail who is not responsible for processing payments.		***who do not have signatory authority. However, this is mitigated by requiring dual signatures.***
10 For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:		
a. Observe that the disbursement matched the related original invoice/billing statement. b.	Recorded amounts were supported by sufficient documentation.	***The results did not include findings or criticisms.***
c. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.	Evidence was available to demonstrate segregation of duties.	***The results did not include findings or criticisms.***
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	Electronic disbursements were supported by proper documentation and invoices.	***The results did not include findings or criticisms.***

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.		

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	**Results**	**Managements' Response**
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.	Management provided the list as requested.	***The results did not include findings or criticisms.***
13 Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:		
a. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.	All statements were approved by supervisor.	***The results did not include findings or criticisms.***
b. Observe that finance charges and late fees were not assessed on the selected statements.	No finance charges or late fees were present	***The results did not include findings or criticisms.***

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).	All of the selected transactions had supporting documentation.	***The results did not include findings or criticisms.***

Travel and Expense Reimbursement		
Agreed-Upon Procedure	**Results**	**Managements' Response**
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:		
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).	Reimbursements were consistent with per diem rates for mileage.	***The results did not include findings or criticisms.***
b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.	Actual costs were adequately documented.	***The results did not include findings or criticisms.***
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).	Business purposes were documented.	***The results did not include findings or criticisms.***
d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.	Evidence of review was present for every transaction.	***The results did not include findings or criticisms.***

Contracts		
Agreed-Upon Procedure	**Results**	**Managements' Response**
16 Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:		
a. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.	None of the selected contracts required bidding under the Louisiana Public Bid Law.	***The results did not include findings or criticisms.***
b. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).	Two of the selected contracts were not available for inspection. The remainder of the contracts were approved in accordance with policy.	***We will work with our current active vendors, as well as prospective contract vendors to ensure the Town retains copies of all agreements.***
c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.	No change orders were noted for the contracts that were available for inspection	***See Comments Above.***
d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.	Payment terms were in agreement for the contracts available for review.	***See Comments Above.***

Payroll and Personnel			
	Agreed-Upon Procedure	**Results**	**Managements' Response**
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.	Paid salaries agreed to the selected employee's authorized pay rates.	***The results did not include findings or criticisms.***
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:		
	a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).	Daily attendance is monitored by department heads, but not documented with time sheets.	***Because our employees are paid a salary, in lieu of receiving hourly compensation, there is little incentive to manipulate hours worked. However, our department heads monitor attendance and communicate attendance issues to management when needed.***
	b. Observe that supervisors approved the attendance and leave of the selected employees/officials.	Leave is approved by department heads and the Mayor.	***The results did not include findings or criticisms.***
	c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.	Leave records reflect amounts accumulated or paid to employees.	***The results did not include findings or criticisms.***
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,	There were no employees that received termination payments during the current year.	***The results did not include findings or criticisms.***

Payroll and Personnel		
Agreed-Upon Procedure	**Results**	**Managements' Response**
obtain related documentation of the hours and pay rates used in management's termination 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.	Not all payroll taxes were made timely.	***We will work to ensure that all payroll taxes are paid timely going forward.***

Ethics			
	Agreed-Upon Procedure	**Results**	**Managements' Response**
21	Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:		
	a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.	Documentation of training was available for all the employees selected.	***The results did not include findings or criticisms.***
	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.	The documentation demonstrates each employee had read the entity's ethics policy.	***The results did not include findings or criticisms.***
22	Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.	The agency has appointed an ethics designee.	***The results did not include findings or criticisms.***

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.	A listing was provided by management, and State Bond Commission approval was obtained.	***The results did not include findings or criticisms.***
24	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 Entity was in compliance with its debt covenants.	***The results did not include findings or criticisms.***

Fraud Notice		
Agreed-Upon Procedure	**Results**	**Managements' Response**
25 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.	***The results did not include findings or criticisms.***
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 notices were posted on the premises and the website.	***The results did not include findings or criticisms.***

Information Technology Disaster Recovery /Business Continuity		
Agreed-Upon Procedure	**Results**	**Managements' Response**
27 Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**		
a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.	We performed the procedure and discussed the results with management.	***The results did not include findings or criticisms.***
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.	We performed the procedure and discussed the results with management.	***The results did not include findings or criticisms.***
c. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.	We performed the procedure and discussed the results with management.	***The results did not include findings or criticisms.***

Information Technology Disaster Recovery /Business Continuity			
	Agreed-Upon Procedure	**Results**	**Managements' Response**
28	Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.	We performed the procedure and discussed the results with management.	***The results did not include findings or criticisms.***
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 demonstrated that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267[1]. The requirements are as follows: 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.	All selected Employees completed the required training.	***The results did not include findings or criticisms.***

Sexual Harassment		
Agreed-Upon Procedure	**Results**	**Managements' Response**
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.	Documentation demonstrating each employee completed at least one hour of sexual harassment training was available for all of the selected employees.	***The results did not include findings or criticisms.***
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).	The Entity does not have its sexual harassment policy on the website.	***We will work with our auditors and Town attorney to develop a written sexual harassment policy appropriate for an entity of our size.***
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:	The Town provided an annual report, which documented the number of employees who have taken the sexual harassment training. No instances of sexual harassment were noted in the current fiscal year.	***The results did not include findings or criticisms.***
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.		