VILLAGE OF LOREAUVILLE, LOUISIANA

Financial Report

Year Ended June 30, 2026

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INDEPENDENT AUDITORS' REPORT

The Honorable Brad Clifton, Mayor
and the Members of the Board of Aldermen
Village of Loreauville, 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, and each major fund of the Village of Loreauville, Louisiana, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Village of Loreauville, Louisiana's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village of Loreauville, Louisiana, as of June 30, 2026, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Loreauville, Louisiana and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 16 to the financial statements, in 2026, the Village of Loreauville, Louisiana adopted new accounting guidance, GASB Statement No. 103, *Financial Reporting Model Improvements.* Our opinion is not modified with respect to this matter.

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 Village of Loreauville, Louisiana's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Village of Loreauville, Louisiana's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Loreauville, Louisiana's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of employer's share of net pension liability, schedule of employer contributions and notes on pages 43 through 47 be presented to supplement the basic financial statements.

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the 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 statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the budgetary comparison schedules for the general fund – revenues and expenditures, the schedule of insurance in force, and the schedule of number of water customers but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2026, on our consideration of the Village of Loreauville, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Loreauville, Louisiana'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 Village of Loreauville, Louisiana's internal control over financial reporting and compliance.

Champagne & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
October 5, 2026

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)

VILLAGE OF LOREAUVILLE

Statement of Net Position
June 30, 2026

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	$ 834,889	$ 187,354	$ 1,022,243
Internal balances	(153,007)	153,007	-
Receivables, net	64,448	27,638	92,086
Prepaid items	16,294	2,234	18,528
Total current assets	762,624	370,233	1,132,857
Noncurrent assets:			
Restricted cash	445,474	32,701	478,175
Capital assets:			
Land	83,027	5,000	88,027
Capital assets, net	4,699,830	1,090,668	5,790,498
Total noncurrent assets	5,228,331	1,128,369	6,356,700
Total assets	5,990,955	1,498,602	7,489,557
DEFERRED OUTFLOWS OF RESOURCES	12,760	-	12,760
LIABILITIES			
Current liabilities:			
Accounts, salaries, and other payables	16,266	8,267	24,533
Unearned revenue	-	207,530	207,530
Due to other governmental units	21,741	-	21,741
Bonds payable	51,000	-	51,000
Total current liabilities	89,007	215,797	304,804
Noncurrent liabilities:			
Bonds payable	419,900	-	419,900
Customer deposits payable	-	32,701	32,701
Net pension liability	4,280	-	4,280
Total noncurrent liabilities	424,180	32,701	456,881
Total liabilities	513,187	248,498	761,685
DEFERRED INFLOWS OF RESOURCES	314	-	314
NET POSITION			
Net investment in capital assets	4,304,200	1,095,668	5,399,868
Restricted (mosquito control)	221,935	-	221,935
Unrestricted	964,079	154,436	1,118,515
Total net position	$ 5,490,214	$ 1,250,104	$ 6,740,318

The accompanying notes are an integral part of this statement.

VILLAGE OF LOREAUVILLE

Statement of Activities
For the Year Ended June 30, 2026

Activities	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Position: Governmental Activities	Net (Expense) Revenues and Changes in Net Position: Business-Type Activities	Net (Expense) Revenues and Changes in Net Position: Total
Governmental activities:							
General government	$ 181,143	$ 62,029	$ -	$540,831	$ 421,717	$ -	$ 421,717
Public safety	153,762	-	-	-	(153,762)	-	(153,762)
Public works	210,603	-	-	-	(210,603)	-	(210,603)
Interest on long-term debt	18,198	-	-	-	(18,198)	-	(18,198)
Total governmental activities	563,706	62,029	-	540,831	39,154	-	39,154
Business-type activities:							
Wastewater	326,332	141,332	-	-	-	(185,000)	(185,000)
Total business-type activities	326,332	141,332	-	-	-	(185,000)	(185,000)
Total	$ 890,038	$ 203,361	$ -	$540,831	39,154	(185,000)	(145,846)
General revenues:							
Taxes -							
Property taxes, levied for general purposes					22,377	31,984	54,361
Sales and use taxes, levied for general purposes					356,949	-	356,949
Franchise and other taxes					94,429	-	94,429
Grants and contributions not restricted to specific programs					37,796	66,994	104,790
Miscellaneous					24,660	4,733	29,393
Transfers					11,634	(11,634)	-
Total general revenues and transfers					547,845	92,077	639,922
Change in net position					586,999	(92,923)	494,076
Net Position - July 1, 2025					4,903,215	1,343,027	6,246,242
Net Position - June 30, 2026					$5,490,214	$1,250,104	$6,740,318

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

MAJOR FUNDS
General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Fund

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Sales Tax Fund -
To account for the receipt and use of proceeds of the Village's 1 1/2% sales and use tax. These taxes may be used as described in Note (7).

Enterprise Fund

Sewerage and Garbage Fund -
To account for the provision of sewer, garbage, and recycling and curbside debris removal services to residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

VILLAGE OF LOREAUVILLE

Balance Sheet
Governmental Funds
June 30, 2026

	General	Sales Tax Special Revenue	Total Governmental Funds
ASSETS			
Cash and interest-bearing deposits	$ 588,400	$ 691,963	$ 1,280,363
Receivables:			
Taxes and licenses	-	31,555	31,555
Other	32,893	-	32,893
Prepaid items	15,068	1,226	16,294
Total assets	$ 636,361	$ 724,744	$ 1,361,105
LIABILITIES AND FUND BALANCES			
Liabilities:			
Due to other funds	$ 153,007	$ -	$ 153,007
Due to other governmental units	-	21,741	21,741
Accounts payable	8,054	84	8,138
Total liabilities	161,061	21,825	182,886
Fund balances -			
Nonspendable	15,068	1,226	16,294
Restricted	445,474	-	445,474
Committed	-	701,693	701,693
Unassigned	14,758	-	14,758
Total fund balances	475,300	702,919	1,178,219
Total liabilities and fund balances	$ 636,361	$ 724,744	$ 1,361,105

The accompanying notes are an integral part of this statement.

VILLAGE OF LOREAUVILLE

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2026

Total fund balances for governmental funds at June 30, 2026		$ 1,178,219
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	$ 83,027	
Buildings and improvements, net of $185,646 accumulated depreciation	2,936,171	
Vehicles, net of $232,214 accumulated depreciation	21,192	
Furniture and equipment, net of $283,043 accumulated depreciation	157,968	
Water system, net of $2,060,313 accumulated depreciation	877,259	
Infrastructure, net of $566,759 accumulated depreciation	707,240	4,782,857
The deferred outflows of expenditures are not a use of current resources, and are therefore, not reported in the funds:		
Pension plan		12,760
General long-term debt of governmental activities is not payable from current resources and, therefore, not reported in the funds. This debt is:		
Bonds payable and underlying accrued interest	(478,657)	
Net pension liability	(4,280)	
Compensated absences payable	(371)	(483,308)
The deferred inflows of contributions are not available resources, and therefore, are not reported in the funds:		
Pension plan		(314)
Total net position of governmental activities at June 30, 2026		$ 5,490,214

The accompanying notes are an integral part of this statement.

VILLAGE OF LOREAUVILLE

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds
For the Year Ended June 30, 2026

	General	Sales Tax Special Revenue	Total
Revenues:			
Taxes	$ 116,806	$ 356,949	$ 473,755
Licenses and permits	62,029	-	62,029
Grants	540,831	-	540,831
Intergovernmental	37,796	-	37,796
Miscellaneous	22,429	1,885	24,314
Total revenues	779,891	358,834	1,138,725
Expenditures:			
Current -			
General government	133,584	36,088	169,672
Public safety	98,654	-	98,654
Public works	96,519	-	96,519
Debt service	38,098	36,100	74,198
Capital outlay	37,240	578,801	616,041
Total expenditures	404,095	650,989	1,055,084
Excess (deficiency) of revenues over expenditures	375,796	(292,155)	83,641
Other financing sources (uses):			
Operating transfers in	133,634	449,402	583,036
Operating transfers out	(449,402)	(122,000)	(571,402)
Total other financing sources (uses)	(315,768)	327,402	11,634
Net changes in fund balances	60,028	35,247	95,275
Fund balances, beginning	415,272	667,672	1,082,944
Fund balances, ending	$ 475,300	$ 702,919	$ 1,178,219

The accompanying notes are an integral part of this statement.

VILLAGE OF LOREAUVILLE

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2026

Total net changes in fund balances for the year ended June 30, 2026 per Statement of Revenues, Expenditures and Changes in Fund Balances		$ 95,275
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	$ 616,041	
Depreciation expense for the year ended June 30, 2026	(188,483)	427,558
Governmental funds report proceeds from a bond issuance as an other financing source and principal debt payments as an expenditure. However, in the statement of activities, those proceeds are recorded as a liability, and principal debt payments are recorded as a reduction in the related liability.		
Debt payments		56,000
Expenses not requiring the use of current financial resources and therefore, are not reported as expenditures in the governmental funds:		
Net change in net pension liability and related deferrals		8,166
Total changes in net position for the year ended June 30, 2026 per Statement of Activities		$ 586,999

The accompanying notes are an integral part of this statement.

VILLAGE OF LOREAUVILLE

Statement of Net Position
Proprietary Fund
June 30, 2026

	Sewerage and Garbage Fund
ASSETS	
Current assets:	
Cash and interest-bearing deposits	$ 187,354
Receivables:	
Accounts (net)	27,638
Due from other funds	153,007
Prepaid items	2,234
Total current assets	370,233
Noncurrent assets:	
Restricted cash	32,701
Capital assets, net of accumulated depreciation	1,095,668
Total noncurrent assets	1,128,369
Total assets	1,498,602
DEFERRED OUTFLOWS OF RESOURCES	-
LIABILITIES	
Current liabilities:	
Unearned revenue	207,530
Accounts payable and accrued expenses	8,267
Total current liabilities	215,797
Long term liabilities:	
Customers' deposits	32,701
Total long term liabilities	32,701
Total liabilities	248,498
DEFERRED INFLOWS OF RESOURCES	-
NET POSITION	
Investment in capital assets	1,095,668
Restricted	-
Unrestricted	154,436
Total net position	$ 1,250,104

The accompanying notes are an integral part of this statement.

VILLAGE OF LOREAUVILLE

Statement of Revenues, Expenses, and Changes in Fund Net Position -
Proprietary Fund
For the Year Ended June 30, 2026

	Sewerage and Garbage Fund
Operating revenues:	
Charges for services:	
Sewerage	$ 74,611
Garbage	55,308
Fire protection	11,413
Penalties	4,050
Miscellaneous	683
Total operating revenues	146,065
Operating expenses:	
Chemicals and chlorine	7,335
Depreciation	76,153
Garbage collection	73,860
Insurance	11,804
Legal and accounting	14,552
Office supplies	4,379
Miscellaneous	2,539
Professional services	17,065
Repairs and maintenance	38,408
Salaries	22,422
Sewer analysis	5,578
Payroll taxes	796
Telephone and utilities	51,441
Total operating expenses	326,332
Operating loss	(180,267)
Noncapital subsidies:	
Property taxes	31,984
Federal grants	57,795
State grants	9,199
Transfers out	(11,634)
Total noncapital subsidies	87,344
Change in net position	(92,923)
Net position, beginning	1,343,027
Net position, ending	$ 1,250,104

The accompanying notes are an integral part of this statement.

VILLAGE OF LOREAUVILLE

Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2026

	Sewerage and Garbage Fund
Cash flows from operating activities:	
Receipts from customers	$ 144,582
Payments to suppliers	(232,774)
Payments to employees	(22,422)
Net cash used by operating activities	(110,614)
Cash flows from noncapital financing activities:	
Operating transfers out to other funds	(11,634)
Grant receipts	9,199
Ad valorem tax receipts	31,984
Net cash provided by noncapital financing activities	29,549
Cash flows from capital and related financing activities:	-
Cash flows from investing activities	-
Net increase in cash and cash equivalents	(81,065)
Cash and cash equivalents, beginning of period	301,120
Cash and cash equivalents, end of period	$ 220,055

(continued)

VILLAGE OF LOREAUVILLE

Statement of Cash Flows
Proprietary Fund (Continued)
For the Year Ended June 30, 2026

	Sewerage and Garbage Fund
Reconciliation of operating income to net cash used by operating activities:	
Operating loss	$ (180,267)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	76,153
Changes in current assets and liabilities:	
Increase in accounts receivable	(1,483)
Increase in due from other funds	(494)
Decrease in accounts payable and accrued liabilities	(4,523)
Total adjustments	69,653
Net cash used by operating activities	$ (110,614)
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, beginning of period -	
Cash - unrestricted	$ 267,945
Cash - restricted	33,175
Total cash and cash equivalents	301,120
Cash and cash equivalents, end of period -	
Cash - unrestricted	187,354
Cash - restricted	32,701
Total cash and cash equivalents	220,055
Net increase	$ (81,065)

The accompanying notes are an integral part of this statement.

(1) Summary of Significant Accounting Policies

The Village operates under the Lawrason Act. The Act provides for the Mayor-Board of Trustees form of government. The Village's operations include police and fire protection, streets and drainage, and general administration services. The Village owns and operates one enterprise activity, a sewerage and garbage fund, which provides sewerage and garbage services.

The accompanying financial statements of the Village of Loreauville (Village) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

In evaluating how to define the Village for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Village is able to exercise oversight responsibilities. The Village has no component units.

The Village of Loreauville's oversight and responsibilities in the management, operation, and financial accountability of the Loreauville Volunteer Fire Department are remote. For this reason, the Department is not considered to be a component unit of the Village and accordingly, is not included in the Village's audited financial statements.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Village and for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Village are classified into two categories: governmental and proprietary (enterprise). The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type: and

b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

All funds of the Village are considered to be major funds and are described below:

Governmental Funds -

General Fund -

The General Fund is the general operating fund of the Village. It is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Fund -

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Sales Tax Fund –

To account for the receipt and use of proceeds of the Village's 1 1/2% sales and use tax. These taxes may be used as described in Note (7).

Proprietary Fund -

Sewerage and Garbage Fund -

The sewerage and garbage fund is used to account for the provision of sewer, garbage, and recycling and curbside debris removal services to residents of the Village. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are derived from charges for services. All other revenues are reported as nonoperating.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities

(whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash, interest-bearing deposits, and investments

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Village. For the purpose of the proprietary fund Statement of Cash Flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes and franchise taxes. Business-type activities report customer's utility service receivables as their major receivables.

Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The Village's threshold for capitalization is $1,000.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	10-40 years
Vehicles	5-15 years
Furniture and equipment	5-25 years
Water and sewer systems	10-50 years
Infrastructure	10-40 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Prior to the adoption of GASB 34, it was the Village's policy not to record infrastructure; however, these assets have been included in the accompanying financial statements valued at historical cost.

Restricted Assets

Restricted assets include cash, interest-bearing deposits, and investments that are legally restricted as to their use. The restricted assets are related to mosquito control tax revenues not yet spent in the governmental activities and utility meter deposits in the business-type activities.

Unearned Revenue

Revenue received that has not been spent is recorded as unearned revenue. Unearned revenue as of June 30, 2026, was grant funds from the American Rescue Plan Act (ARPA).

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists of bonds payable and a net pension liability.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

Employees of the Village earn annual and sick leave in varying amounts depending upon length of service. At the end of each year, employees may carry forward annual and sick leave earned but not taken. Unused annual leave is paid to an employee upon retirement at hourly rates being earned by that employee upon separation. Unused sick leave is not paid. The Village adopted GASB Statement 101; however, the calculated accrual was immaterial and was therefore not recorded.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Equity Classifications

In the government-wide statements, net position is displayed in three components:

a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other

borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows. Proprietary fund equity is classified the same as in the government-wide statements.

Fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

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

Committed – amounts that can be used only for specific purposes determined by a formal action of the Board of Aldermen. The Board is the highest level of decision-making authority for the Village of Loreauville. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by Board members.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Village's policy, only Board members may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

As of June 30, 2026, fund balances are composed of the following:

	General	Sales Tax Special Revenue	Total Governmental Funds
Nonspendable:			
Prepaid items	$ 15,068	$ 1,226	$ 16,294
Restricted:			
Mosquito control	221,935	-	221,935
Debt service	223,539	-	223,539
Committed:			
Sales taxes	-	701,693	701,693
Unassigned	14,758	-	14,758
Total fund balances	$ 475,300	$ 702,919	$ 1,178,219

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Village considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Village considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Aldermen have provided otherwise in their commitment or assignment actions.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

Under state law, the Village may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Village may invest in certificates and time deposits of state banks organized under

Louisiana law and national banks having principal offices in Louisiana. At June 30, 2026, the Village has cash and interest-bearing deposits (book balances) totaling $1,500,418.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Village's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit within the financial institution. These securities are held in the name of the pledging financial institution in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2026 are secured as follows:

Bank balances	$ 1,506,788
At June 30, 2026 the deposits are secured as follows:	
Federal deposit insurance	500,000
Pledged securities	1,006,788
Total	$ 1,506,788

Deposits in the amount of $1,006,788 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Village's name. The Village does not have a policy for custodial credit risk.

(3) Receivables

Receivables at June 30, 2026 of $92,086 consist of the following:

	General	Sales Tax	Sewerage and Garbage	Total
Accounts	$ -	$ -	$ 28,638	$ 28,638
Allowance	-	-	(1,000)	(1,000)
Taxes:				
Sales tax	-	31,555	-	31,555
Franchise tax	8,024	-	-	8,024
Fines, licenses, etc.	23,010	-	-	23,010
Other	1,859	-	-	1,859
Totals	$ 32,893	$ 31,555	$ 27,638	$ 92,086

(4) Capital Assets

Capital asset activity for the year ended June 30, 2026 was as follows:

	Balance 07/01/25	Additions	Deletions	Balance 06/30/26
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 83,027	$ -	$ -	$ 83,027
Construction in progress	1,170,941	-	(1,170,941)	-
Total assets not being depreciated	1,253,968	-	(1,170,941)	83,027
Capital assets being depreciated:				
Buildings and improvements	1,458,450	1,665,917	(2,550)	3,121,817
Vehicles	231,355	22,051	-	253,406
Furniture and equipment	431,856	9,155	-	441,011
Water system	2,937,572	-	-	2,937,572
Infrastructure	1,184,140	89,859	-	1,273,999
Total assets being depreciated	6,243,373	1,786,982	(2,550)	8,027,805
Less accumulated depreciation:				
Buildings and improvements	134,462	53,734	(2,550)	185,646
Vehicles	231,355	859	-	232,214
Furniture and equipment	254,631	28,412	-	283,043
Water system	1,996,373	63,940	-	2,060,313
Infrastructure	525,221	41,538	-	566,759
Total accumulated depreciation	3,142,042	188,483	(2,550)	3,327,975
Governmental activities, net	$ 4,355,299	$ 1,598,499	$ (1,170,941)	$ 4,782,857
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 5,000	$ -	$ -	$ 5,000
Total assets not being depreciated	5,000	-	-	5,000
Capital assets being depreciated:				
Sewer plant	2,712,269	-	-	2,712,269
Machinery and equipment	112,879	-	-	112,879
Total assets being depreciated	2,825,148	-	-	2,825,148
Less accumulated depreciation:				
Sewer plant	1,570,182	73,408	-	1,643,590
Machinery and equipment	88,145	2,745	-	90,890
Total accumulated depreciation	1,658,327	76,153	-	1,734,480
Business-type activities, net	$ 1,171,821	$ (76,153)	$ -	$ 1,095,668

Depreciation expense was charged to governmental activities as follows:

General government	$ 19,291
Public safety	55,108
Public works	114,084
Total depreciation expense	$ 188,483

(5) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at June 30, 2026:

	Governmental Activities	Business-Type Activities	Total
Accounts	$ 8,138	$ 8,143	$ 16,281
Compensated absences payable	371	124	495
Interest Payable	7,757	-	7,757
Totals	$ 16,266	$ 8,267	$ 24,533

(6) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the Village of Loreauville, Louisiana for the year ended June 30, 2026. The revenue bonds and the sales tax bonds relate to governmental activities. Payments were made from the general fund and sales tax fund. In the past, payments on long-term debt that pertained to the Village's governmental activities were made by the governmental funds, and those that pertained to the business-type activities were made by the enterprise fund.

Long-term debt at July 1, 2025	$ 526,900
Debt assumed	-
Debt retired	(56,000)
Long-term debt at June 30, 2026	$ 470,900
Amount due within one year	$ 51,000

Long-term debt at June 30, 2026 is comprised of the following:

$1,310,000 Taxable Water Revenue Bonds, Series 2012; due in annual installments of $21,000 to $35,900; from October 1, 2014 to October 1, 2033; interest rate of 2.95 percent; secured by income and revenues of the Village.	$ 258,900
$300,000 Sales Tax Bonds, Series 2022; due in annual installments of $26,000 to $34,000, from July 1, 2023 to July 1, 2032; interest rate of 6.0 percent; secured by sales tax revenue of the Village.	$ 212,000

The annual requirements to amortize all debt outstanding at June 30, 2026 are as follows:

Year Ending June 30,	Principal	Interest	Total
2027	$ 51,000	$ 13,840	$ 64,840
2028	60,000	12,470	72,470
2029	61,000	10,520	71,520
2030	63,000	8,531	71,531
2031	65,000	6,472	71,472
2032-2034	170,900	7,062	177,962
Totals	$ 470,900	$ 58,895	$ 529,795

(7) Dedication of Sales and Use Tax Revenues

Proceeds of a 1 1/2 percent sales and use tax were dedicated to the following purposes:

A. 1% is for constructing and maintaining sewerage, drainage, street, and other works of permanent public improvement in the Village, title to which shall be in the public. On November 21, 1987, the voters of the Village approved a rededication of the use of the sales taxes collected which now permits the use of these revenues to pay for any expenditures lawfully incurred.

B. An additional ½% was passed effective January 1, 1995 to be dedicated and used, in supplement of other sales tax revenues, to operate and maintain the Loreauville Police Department. In November 2002, the voters of the Village approved the rewording of the dedication to include contracting with the Iberia Parish Sheriff's Office in lieu of operating the Loreauville Police Department.

(8) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2026:

	Interfund Receivables	Interfund Payables
Major Funds:		
Governmental Funds:		
General Fund	$ -	$ 153,007
Enterprise Fund:		
Sewer and Garbage Fund	153,007	-
Total	$ 153,007	$ 153,007

The above balances are the result of amounts loaned between funds related to the bond issuance, and for amounts received from ARPA deposited into one fund, but used by another. These balances are expected to be eliminated through transfers within the next fiscal year.

B. Interfund transfers

Interfund transfers consisted of the following at June 30, 2026:

	Interfund Transfers In	Interfund Transfers Out
Major Funds:		
Governmental Funds:		
General Fund	$ 133,634	$ 449,402
Sales Tax Special Revenue Fund	449,402	122,000
Enterprise Fund:		
Sewerage and Garbage Fund	-	11,634
Total	$ 583,036	$ 583,036

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(9) Ad Valorem Taxes

For the year ended June 30, 2026, taxes of 11.90 mills were levied on property with assessed valuations totaling $4,570,951 and were dedicated as follows:

General alimony	4.90 mills
Sewerage tax	7.00 mills

Total taxes levied were $54,361 of which all had been collected at June 30, 2026. The taxes are levied and assessed around September or October of each year and tax bills are mailed in November. Billed taxes are due by December 31 and become delinquent if unpaid as of January 1.

(10) Restricted Assets

Restricted assets were composed of checking and savings accounts at June 30, 2026 and were restricted as follows:

	Governmental Activities	Business-Type Activities	Total
Mosquito control	$ 221,935	$ -	$ 221,935
Debt service	223,539	-	223,539
Customers' deposits	-	32,701	32,701
	$ 445,474	$ 32,701	$ 478,175

(11) Commitments and Contingencies

A. Contingent Liabilities

There is no litigation pending against the Village at June 30, 2026.

B. Commitments

The Village has no construction commitments with respect to unfinished projects at June 30, 2026.

(12) Compensation of Village Officials

A detail of compensation paid to Village officials for the year ended June 30, 2026 follows:

Brad Clifton, Mayor	$ 12,000
Aldermen:	
Joseph J. DeCourt	2,700
Lottie J. Frioux	2,700
Brad P. Louviere	2,700
Total	$ 20,100

(13) Risk Management

The Village is exposed to risks of loss in the areas of general and auto liability, property hazards, health care, and workers' compensation. Those risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current fiscal year nor have settlements exceeded coverage during the current year or preceding two years.

(14) Act 706 – Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Entity Head

Under Act 706, Village of Loreauville is required to disclose the compensation, reimbursements, benefits, and other payments made to the Mayor, in which the payments are related to the position. The following is a schedule of payments made to the Mayor for the year ended June 30, 2026.

Agency Head Name: Brad Clifton

Salary	$ 12,000
Total compensation to agency head	$ 12,000

(15) Pension Plan / GASB 68

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System of Louisiana (the System) and additions to / deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Summary of Significant Accounting Policies:

The System prepares its employer pension schedules in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68 – *Accounting and Financial Reporting for Pensions.* GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. It identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. It also provides methods to calculate participating employers' proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense (benefit) and amortization periods for deferred inflows and deferred outflows.

Basis of Accounting:

The System's employer pension schedules are prepared using the accrual basis of accounting. Members' earnable compensation, on which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The members' earnable compensation is attributed to the employer for which the member is employed as of June 30, 2025.

Plan Fiduciary Net Position:

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Such estimates and assumptions primarily relate to actuarial valuations or unsettled transactions and events as of the date of the financial statements and estimates in the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts.

System Employees:

The System is not allocated a proportionate share of the net pension liability related to its employees. The net pension liability attributed to the System's employees is allocated to the remaining employers based on their respective employer allocation percentage.

Use of Estimates:

The preparation of schedules of employer allocations and pension amounts by employer in conformity with U.S. GAAP requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Accordingly, actual results may differ from estimated amounts.

Plan Description:

The System is administered by a Board of Trustees composed of eleven members, three of whom shall be active and contributing members of the System with at least six years creditable service and who are elected to office in accordance with the Louisiana Election Code, two of whom shall be active and contributing members of the System with at least six years creditable service and who are not elected officials; one of whom shall be a retired member of the System; one of whom shall be president of the Louisiana Municipal Association who shall serve as an ex-officio member during his tenure; one of whom shall be the Chairman of the Senate Committee on Retirement; one of whom shall be a member of the House Committee on Retirement appointed by the Speaker of the House; the Commissioner of Administration; and the State Treasurer.

The System is the administrator of a cost-sharing, multiple-employer defined benefit pension plan. The System was established and provided for by R.S. 11:1731 of the Louisiana Revised Statutes (LRS).

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Eligibility Requirements:

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least 35 hours per week. Those individuals paid jointly by a participating employer and a parish are not eligible for membership in the System with exceptions as outlined in the statutes.

Any person eligible for membership whose first employment making him eligible for membership in the System occurred on or after January 1, 2013, shall become a member of the MERS Plan A Tier 2 or MERS Plan B Tier 2 of the System as a condition of employment. The Village of Loreauville participates in MERS Plan B Tier 2.

Retirement Benefits:

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

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

The monthly amount of the retirement allowance for any member of Plan B Tier 2 shall consist of an amount equal to 2% of the member's final compensation multiplied by his years of creditable service. Final compensation is the average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits:

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

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

Deferred Retirement Option Plan Benefits:

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

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

Disability Benefits:

For Plan B, a member shall be eligible to retire and receive a disability benefit if he has at least ten years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of 30% of his final compensation or 2% of his final compensation multiplied by his years of creditable service, whichever is greater, or an amount equal to 2% of the member's final compensation multiplied by his years of creditable service, projected to his earliest normal retirement age.

Cost of Living Increases:

The System is authorized under state law to grant a cost-of-living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant additional cost of living increases to all retirees and beneficiaries who are age 65 and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

Deferred Benefits:

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

Contributions:

Contributions for all members are established by statute. For the year ended June 30, 2025, member contributions were at 5% of earnable compensation for Plan B. The contributions are deducted from the member's salary and remitted by the participating employer.

According to state statute, contributions for all employers are actuarially determined each year. For the year ended June 30, 2025, the employer contribution rates were at 14% of earnable compensation for Plan B.

According to state statute, the System also receives one-fourth of 1% of ad valorem taxes collected within the respective parishes except for Orleans. Tax monies are apportioned between Plan A and Plan B in proportion to salaries of plan participants. Tax monies received from East Baton Rouge Parish are apportioned between the System and the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge. The System also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income are used as additional employer contributions and considered support from non-employer contributing entities. Non-employer contributions for the year ended June 30, 2026, were $346.

Schedule of Employer Allocations:

The schedule of employer allocations reports the employer contributions in addition to the employer allocation percentage. The employer contributions are used to determine the proportionate relationship of each employer to all employers of the System. The allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on the employer's contribution effort to the plan for the current fiscal year as compared to the total of all employers' contribution effort to the plan for the current fiscal year. The employers' contribution effort was based on actual employer contributions made to the System for the fiscal year ended June 30, 2025.

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

At June 30, 2026, the Village reported a liability of $4,280 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Village's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2025, the Village's proportion was 0.008952%.

For the year ended June 30, 2026, the Village recognized pension expense of $2,520 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, $296.

At June 30, 2026, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	$ -	$ 59
Changes of assumptions	-	101
Net difference between projected and actual earnings on pension plan investments	-	154
Change in proportion and differences between employer contributions and proportionate share of contributions	2,716	-
Employer contributions subsequent to the measurement date	10,044	-
Total	$ 12,760	$ 314

Deferred outflows of resources of $10,044 related to pensions resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended	
6/30/2027	$ 2,971
6/30/2028	(270)
6/30/2029	(212)
6/30/2030	(87)

Actuarial Assumptions:

The actuarial assumptions used in the June 30, 2025, valuation were based on the results of an actuarial experience study for the period from July 1, 2018 through June 30, 2023.

Information on the actuarial valuation and assumptions is as follows:

Valuation Date	June 30, 2025	
Actuarial Cost Method	Entry Age Normal Cost	
Expected Remaining Service lives	Two years	
Investment Rate of Return	6.85%, net of pension plan investment expense, including inflation	
Inflation Rate	2.50%	
Salary increases, including inflation and merit increases:	Years of Service	Salary Growth Rate
	1-2	9.50%
	Above 2	4.60%
Annuitant and beneficiary mortality	PubG-2010(B) Healthy Retiree Table set equal to 115% for males and 120% for females, each adjusted using their respective male and female MP2021 scales	
Employee mortality	PubG-2010(B) Employee Table set equal to 115% for males and 120% for females, each adjusted using their respective male and female MP2021 scales	
Disabled lives mortality	PubNS-2010(B) Disabled Retiree Table set equal to 115% for males and 120% for females with the full generational MP2021 scale	

Discount Rate:

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

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

Asset Class	Target Allocation	Long Term Expected Portfolio Real Rate of Return
Public Equity	53.00%	2.31%
Public Fixed Income	29.00%	1.26%
Alternatives	18.00%	0.78%
Totals	100.00%	4.35%
Inflation		2.50%
Expected Arithmetic Nominal Return		6.85%

The discount rate used to measure the total pension liability was 6.85% for the year ended June 30, 2025. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:

The following presents the employers proportionate share of the net pension liability calculated using the discount rate of 6.85%, as well as what the employer's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.85%) or one percentage point higher (7.85%) than the current discount rate (assuming all other assumptions remain unchanged):

	Changes in Discount Rate		
	1% Decrease 5.85%	Current Discount Rate 6.85%	1% Decrease 7.85%
Employer's Proportionate share of Net Pension Liability	$ 7,383	$ 4,280	$ 1,657

Change in Net Pension Liability:

The changes in the net pension liability for the year ended June 30, 2026, were recognized in the current reporting period except as follows:

a. Differences between Expected and Actual Experience: The differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized as pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The differences between expected and actual experience resulted in a deferred inflow of resources in the amount of $59 for the year ended June 30, 2026.

b. Changes of Assumptions: The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. Changes of assumptions resulted in a deferred inflow of resources in the amount of $101 for the year ended June 30, 2026.

c. Differences between Projected and Actual Investment Earnings: The differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The differences between projected and actual investment earnings resulted in a deferred inflow of resources in the amount of $154 for the year ended June 30, 2026.

d. Changes in Proportion: Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in the employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The change in proportion resulted in a deferred outflow of resources in the amount of $2,716 for the year ended June 30, 2026.

Contributions – Proportionate Share:

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of pension amounts by employer due to differences that

could arise between contributions reported by the System and contributions reported by the participating employer.

Retirement Fund Audit Report:

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

(16) New Accounting Pronouncement

In April 2024, the Governmental Accounting Standards Board issued GASB Statement No. 103, *Financial Reporting Model Improvements.* The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The Village adopted this standard in the year ended June 30, 2026. The implementation of GASB Statement No. 103 resulted in changes to the presentation and disclosure of certain financial information, including the classification and presentation of revenues and expenses for proprietary funds and budgetary comparison information. The implementation of GASB Statement No. 103 did not result in a change to the Village's net position or changes in net position.

REQUIRED
SUPPLEMENTARY INFORMATION

VILLAGE OF LOREAUVILLE
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance between Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
	Original	Final			
Revenues:					
Taxes	$ 122,400	$ 117,304	$ (5,096)	$ 116,806	$ (498)
Licenses and permits	60,500	58,844	(1,656)	62,029	3,185
Grants	940,000	574,993	(365,007)	540,831	(34,162)
Intergovernmental	33,400	44,984	11,584	37,796	(7,188)
Miscellaneous	5,745	5,045	(700)	22,429	17,384
Total revenues	1,162,045	801,170	(360,875)	779,891	(21,279)
Expenditures:					
Current -					
General government	238,120	223,337	14,783	133,584	89,753
Public safety - Police	128,180	136,165	(7,985)	98,654	37,511
Public works	83,100	94,000	(10,900)	96,519	(2,519)
Debt service	38,586	38,300	286	38,098	202
Capital outlay	5,000	1,500	3,500	37,240	(35,740)
Total expenditures	492,986	493,302	(316)	404,095	89,207
Excess (deficiency) of revenues over expenditures	669,059	307,868	(361,191)	375,796	67,928
Other financing sources (uses):					
Transfer from Sales Tax Fund	197,000	203,462	6,462	122,000	(81,462)
Transfer from Utility Fund	12,000	11,650	(350)	11,634	(16)
Transfer to Sales Tax Fund	(400,000)	(449,401)	(49,401)	(449,402)	(1)
Transfer to Utility Fund	(500,000)	-	500,000	-	-
Total other financing sources (uses)	(691,000)	(234,289)	456,711	(315,768)	(81,479)
Net change in fund balance	(21,941)	73,579	95,520	60,028	(13,551)
Fund balance, beginning	393,246	415,272	22,026	415,272	-
Fund balance, ending	$ 371,305	$ 488,851	$ 117,546	$ 475,300	$ (13,551)

See notes to required supplementary information.

VILLAGE OF LOREAUVILLE
Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance between Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
	Original	Final			
Revenues:					
Taxes	$ 260,000	$ 360,000	$ 100,000	$ 356,949	$ (3,051)
Miscellaneous - interest and other	2,440	1,892	(548)	1,885	(7)
Total revenues	262,440	361,892	99,452	358,834	(3,058)
Expenditures:					
General government					
Conventions	600	600	-	-	600
Insurance	6,200	6,200	-	8,658	(2,458)
Legal and accounting	13,000	13,000	-	14,552	(1,552)
Salaries and payroll taxes	16,700	14,950	1,750	10,942	4,008
Office expense	900	900	-	-	900
Collection fees	1,980	1,980	-	1,936	44
Capital Outlay	400,000	678,000	(278,000)	578,801	99,199
Debt Service	36,600	36,100	500	36,100	-
Total expenditures	475,980	751,730	(275,750)	650,989	100,741
Excess (deficiency) of revenues over expenditures	(213,540)	(389,838)	(176,298)	(292,155)	97,683
Other financing sources (uses):					
Transfer in from General Fund	400,000	449,400	49,400	449,402	2
Transfer out to Sewer Fund	(75,000)	(75,000)	-	-	75,000
Transfer out to General Fund	(151,171)	(116,171)	35,000	(122,000)	(5,829)
Total other financing sources (uses)	173,829	258,229	84,400	327,402	69,173
Net change in fund balance	(39,711)	(131,609)	(91,898)	35,247	166,856
Fund balance, beginning	802,052	667,672	(134,380)	667,672	-
Fund balance, ending	$ 762,341	$ 536,063	$ (226,278)	$ 702,919	$ 166,856

See notes to required supplementary information.

VILLAGE OF LOUREAVILLE, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2026

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2026	0.008952%	$ 4,280	$ 8,563	50.0%	84.9%

* The amounts presented have a measurement date of the previous fiscal year.

See notes to required supplementary information

VILLAGE OF LOREAUVILLE, LOUISIANA

Schedule of Employer Contributions
For the Year Ended June 30, 2026

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2026	$ 10,044	$ 10,044	$ -	$ 74,400	13.50%

See notes to required supplementary information

VILLAGE OF LOREAUVILLE, LOUISIANA

Notes to the Required Supplementary Information
For the Year Ended June 30, 2026

(1) Budget and Budgetary Accounting

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

A. The municipal clerk prepares a proposed budget and submits this to the Mayor and Board of Aldermen at least fifteen days prior to the beginning of the fiscal year. The operating budget includes proposed expenditures and the means of financing them.

B. The budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.

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

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

E. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Significant Variances in Budgetary Comparison Schedules:	General Fund over (under)	Sales Tax Special Revenue Fund over (under)
Budgetary Revenues		
Differences - original budget to final budget:		
The Village over-estimated the costs to be incurred for the new town hall construction project, which caused a variance in grant revenue from the original budget to the final budget.	(365,007)	-
The Village experienced an increase in sales tax revenue.	-	100,000
Differences - final budget to actual:		
The Village recorded transfers from sales tax fund erroneously, thus causing final budget amounts to exceed actual results.	(81,462)	-
Budgetary Expenditures		
Differences - original budget to final budget:		
The Village originally estimated to receive grant revenue in the general fund that needed to be transferred to the sewer fund for sewer system improvements.	500,000	-
The Village amended the capital outlay budget using a conservative estimate of the new town hall construction and roundabout project.	-	(278,000)
Differences - final budget to actual:		
As a result of the Village erroneously recording transfers from sales tax fund, general government expenditures were overstated (and thus over-estimated on the final budget).	89,753	-
The Village expended less funds than projected on the new town hall construction and roundabout project.	-	99,199
The Village chose not to transfer from the sales tax fund to the sewer fund in the current year.	-	75,000

OTHER INFORMATION

VILLAGE OF LOREAUVILLE
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget Positive (Negative)
Taxes:			
General alimony	$ 22,550	$ 22,377	$ (173)
Waterline assessment	46,000	45,748	(252)
Franchise taxes	48,754	48,681	(73)
Total taxes	117,304	116,806	(498)
Licenses and permits	58,844	62,029	3,185
Grants	574,993	540,831	(34,162)
Intergovernmental:			
Beer tax	1,600	1,127	(473)
2% fire insurance tax	6,800	85	(6,715)
Mosquito control tax	36,584	36,584	-
Total intergovernmental	44,984	37,796	(7,188)
Miscellaneous:			
Interest	190	196	6
Water lease	1,905	1,905	-
Other	2,950	20,328	17,378
Total miscellaneous	5,045	22,429	17,384
Total revenues	$ 801,170	$ 779,891	$ (21,279)

VILLAGE OF LOREAUVILLE
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget Positive (Negative)
Current:			
General government -			
Advertising	$ 2,500	$ 2,494	$ 6
Conventions	35	35	-
Coroner	550	550	-
Dues	103	103	-
Insurance	28,224	9,758	18,466
Legal and accounting	43,655	14,551	29,104
Mayor and council	20,100	20,100	-
Payroll taxes	12,000	10,712	1,288
Repairs and maintenance	20,800	6,981	13,819
Salaries	42,000	20,092	21,908
Utilities	11,910	12,370	(460)
Professional fees	8,140	7,405	735
Auto and truck	600	659	(59)
Office expense	22,720	17,730	4,990
Retirement	10,000	10,044	(44)
Total general government	223,337	133,584	89,753
Public safety -			
Law enforcement	60,000	60,000	-
Auto and truck	20,505	805	19,700
Insurance	30,500	30,457	43
Repairs and maintenance	19,160	1,358	17,802
Office Expenses	300	298	2
Utilities	5,700	5,736	(36)
Total public safety	136,165	98,654	37,511

(continued)

VILLAGE OF LOREAUVILLE
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget Positive (Negative)
Public works -			
Auto and truck	9,000	9,849	(849)
Repairs and maintenance	8,400	26,852	(18,452)
Salaries	49,000	36,441	12,559
Supplies	6,000	2,709	3,291
Utilities	21,600	20,668	932
Total public works	94,000	96,519	(2,519)
Debt service -			
Principal	32,949	28,000	4,949
Interest	3,818	8,051	(4,233)
Other	1,533	2,047	(514)
Total debt service	38,300	38,098	202
Capital outlay -			
Fire Department	-	22,051	(22,051)
Streets Department	1,500	-	1,500
New Town Hall	-	9,155	(9,155)
Roundabout	-	6,034	(6,034)
Total capital outlay	1,500	37,240	(35,740)
Total expenditures	$ 493,302	$ 404,095	$ 89,207

VILLAGE OF LOREAUVILLE, LOUISIANA

Schedule of Insurance in Force
June 30, 2026

Description of Coverage	Name of Insurer	Coverage Amounts	Expiration Date
Workmen's compensation -			
Bodily injury by accident	LMRMA	$ 100,000	06/01/2027
Bodily injury by disease	LMRMA	500,000	06/01/2027
Bodily injury by disease	LMRMA	100,000	06/01/2027
Surety bonds -			
Public employees - Town clerk	Western Surety	5,000	11/14/2026
Public employees - Mayor	Western Surety	10,000	01/01/2027
Equipment Floater	Arch Ins. Co.	70,441	05/30/2027
General Liability	LMRMA	500,000	06/01/2027
Commercial auto	LMRMA	500,000	06/01/2027
Property and contents	Valley Forge Insurance	2,000,000	08/19/2026
Errors and omissions	LMRMA	500,000	06/01/2027
Sewer boiler and machinery	General Star Indemnity	125,000	09/19/2026

VILLAGE OF LOREAUVILLE, LOUISIANA

Schedule of Number of Water Customers
June 30, 2026

Records maintained by the Village indicated the following number of customers were being serviced during the month of June 30, 2026:

Customer Type	Number
Metered	395
Unmetered	-

INTERNAL CONTROL,

COMPLIANCE

AND

OTHER MATTERS

Champagne & Company, LLC
Certified Public Accountants

Russell F. Champagne, CPA, CGMA*
Penny Angelle Scruggins, CPA, CGMA*
Shayne M. Breaux, CPA*

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INDEPENDENT AUDITORS' 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*

The Honorable Brad Clifton, Mayor
and Members of the Board of Aldermen
Village of Loreauville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Loreauville, Louisiana, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Village of Loreauville, Louisiana's basic financial statements and have issued our report thereon dated October 5, 2026.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of prior and current year audit findings and management's corrective action plan as items 2026-001 and 2026-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Loreauville, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of prior and current year audit findings and management's corrective action plan as item 2026-003.

Village of Loreauville, Louisiana's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village of Loreauville, Louisiana's response to the findings identified in our audit and described in the accompanying schedule of prior and current year audit findings and management's corrective action plan. The Village of Loreauville, Louisiana's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Champagne & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
October 5, 2026

VILLAGE OF LOREAUVILLE

Schedule of Prior and Current Year Audit Findings and
Management's Corrective Action Plan
For the Year Ended June 30, 2026

I. Prior Year Findings:

Internal Control Over Financial Reporting

2025-001 – Inadequate Segregation of Accounting Functions

Finding:

The Village did not have adequate segregation of functions within the accounting system.

Status:

Unresolved. See item 2026-001.

2025-002 – Inadequate Controls Over Financial Statement Preparation

Finding:

The Village does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.

Status:

Unresolved. See item 2026-002.

Compliance

2025-003 – Noncompliance with Louisiana Local Government Budget Act; Year Initially Occurred--June 30, 2025

Finding:

Louisiana Revised Statute (LSA-R.S.) 39:1301-1315, known as the Local Government Budget Act, requires that the budget be amended when actual expenditures and other uses plus projected expenditures and other uses are exceeding the budgeted expenditures and other uses by five percent or more. The Village expenditures and other uses of the Sales Tax Special Revenue Fund exceed the budgeted expenditures by 31%.

Status:

Resolved.

(continued)

2025-004 – Noncompliance with Louisiana Local Government Budget Act; Year Initially Occurred--June 30, 2025

Finding:

Louisiana Revised Statute (LSA-R.S.) 39:1301-1315, known as the Local Government Budget Act, requires that the budget be amended when actual revenues and other sources plus projected revenues and other sources are failing to meet budgeted revenues and other sources by five percent or more. The Village revenues and other sources of the General Fund failed to meet budgeted revenues by approximately 13%.

Status:

Unresolved. See item 2026-003.

Management Letter Items

There were no items reported at June 30, 2025.

(continued)

VILLAGE OF LOREAUVILLE

Schedule of Prior and Current Year Audit Findings and
Management's Corrective Action Plan (continued)
For the Year Ended June 30, 2026

II. Current Year Findings and Management's Corrective Action Plan:

Internal Control Over Financial Reporting

2026-001 – Inadequate Segregation of Accounting Functions; Year Initially Occurred--Unknown

Condition and Criteria:

The Village did not have adequate segregation of functions within the accounting system.

Effect:

This condition represents a material weakness in the internal control of the Village.

Cause:

The condition resulted because of the small number of employees in the accounting department.

Recommendation:

No plan is considered necessary due to the fact that it would not be cost effective to implement a plan.

Management's Corrective Action Plan:

Mr. Brad Clifton, Mayor, determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.

2026-002 – Inadequate Controls Over Financial Statement Preparation; Year Initially Occurred--Unknown

Condition and Criteria:

The Village does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.

Effect:

This condition represents a material weakness in the internal control of the Village.

(continued)

Cause:

The condition resulted because Village personnel do not have the qualifications and training to apply GAAP in recording the entity's financial transactions or preparing the financial statements.

Recommendation:

The Village should consider outsourcing this task to its independent auditors and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Management's Corrective Action Plan:

Mr. Brad Clifton, Mayor, has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Compliance and Other Matters

2026-003 – Noncompliance with Louisiana Local Government Budget Act; Year Initially Occurred--June 30, 2025

Condition and Criteria:

Louisiana Revised Statute (LSA-R.S.) 39:1301-1315, known as the Local Government Budget Act, requires that the budget be amended when actual revenues and other sources plus projected revenues and other sources are failing to meet budgeted revenues and other sources by five percent or more. The Village revenues and other sources of the General Fund failed to meet budgeted revenues by approximately 10%.

Effect:

This condition represents a violation of the Louisiana Government Budget Act.

Cause:

The condition resulted because the Village did not properly estimate when adopting an amended budget.

(continued)

Recommendation:

The Village should evaluate the need for budget amendments as the year progresses and amend the budget, if necessary.

Management's Corrective Action Plan:

The Clerk will evaluate the budget as the year progresses and make budget amendments as needed.

VILLAGE OF LOREAUVILLE

Loreauville, Louisiana

Statewide Agreed-Upon Procedures Report

Year Ended June 30, 2026

Champagne & Company, LLC

Certified Public Accountants

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2026

To the Governing Board of Village of Loreauville and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2025 through June 30, 2026. Village of Loreauville's management is responsible for those C/C areas identified in the SAUPs.

Village of Loreauville has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2025 through June 30, 2026. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

No exceptions noted.

ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

The Purchasing policies and procedures do not include controls to ensure compliance with the Public Bid Law or documentation required to be maintained for all bids and price quotes.

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

No exceptions noted.

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iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

No exceptions noted.

v. ***Payroll/Personnel,*** including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

No exceptions noted.

vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

No exceptions noted.

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

No exceptions noted.

viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

No exceptions noted.

ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

No exceptions noted.

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

No exceptions noted.

xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

No exceptions noted.

xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

The Prevention of Sexual Harassment policies and procedures does not include annual employee training or annual reporting.

2) *Board or Finance Committee*

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions noted.

ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exceptions noted.

iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

The general fund did not have a negative ending unassigned fund balance in the prior year audit report; therefore, this procedure is not applicable.

iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No exceptions noted.

3) *Bank Reconciliations*

A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Obtained a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the entity's main operating account. Obtained bank statements and reconciliations for the main operating account and 4 additional accounts for one random month during the period.

i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

No exceptions noted.

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

No exceptions noted.

iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions noted.

4) Collections (excluding electronic funds transfers)

A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Obtained 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.

B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

Obtained a listing of collection locations for each deposit site and management's representation that the listing is complete. Obtained written policies and procedures relating to employee job duties.

i. Employees responsible for cash collections do not share cash drawers/registers;

No exceptions noted.

ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

The employee responsible for collecting cash is also responsible for preparing/making bank deposits.

iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

The employee responsible for collecting cash is also responsible for posting collection entries to the general ledger.

iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exceptions noted.

C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

No exceptions noted.

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting*

the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and

i. Observe that receipts are sequentially pre-numbered.

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100 and the cash is stored securely in a locked safe or drawer).

No exceptions noted.

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

No exceptions noted.

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

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

Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete.

B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

At least two employees are not involved in initiating a purchase request, approving a purchase, and placing an order/making a purchase.

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

No exceptions noted.

iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

The employee responsible for processing payments is not prohibited from adding/modifying vendor files.

iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

No exceptions noted.

v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exceptions noted.

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

Obtained the entity's non-payroll disbursement transaction population and management's representation that the population is complete.

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

No exceptions noted.

ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

No exceptions noted.

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

There were no non-payroll-related electronic disbursements for the fiscal period; therefore, this procedure is not applicable.

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

A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the person who maintained possession of the cards and obtained management's representation that the listing is complete.

B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may

constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

No exceptions noted.

ii. Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions noted.

C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions noted.

D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

There were no terminated employees during the fiscal period; therefore, this procedure is not applicable.

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

A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

Obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing is complete.

i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana (doa.la.gov/doa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov);

No exceptions noted.

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

No exceptions noted.

iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

No exceptions noted.

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

No exceptions noted.

8) Contracts

A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

Obtained 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 and obtained management's representation that the listing is complete.

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

No exceptions noted.

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

One contract selected for testing was not approved by the governing board as required by policy.

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

No exceptions noted.

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

No exceptions noted.

9) Payroll and Personnel

A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete.

B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

There were no employees or officials that received termination payments during the fiscal period; therefore, this procedure is not applicable.

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

No exceptions noted.

10) *Ethics*

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

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

No exceptions noted.

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

There were no changs to the entity's ethics policy; therefore, this procedure is not applicable.

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

No exceptions noted.

11) Debt Service

A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

There were no bonds/notes and other debt instruments issued during the fiscal period; therefore, this procedure is not applicable.

B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

No exceptions noted.

12) Fraud Notice

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

There were no misappropriations of public funds and assets; therefore, this procedure is not applicable.

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

No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

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

A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

C. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

No exceptions noted.

B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

No exceptions noted.

C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

The entity's annual sexual harassment report for the current fiscal period was dated after February 1.

i. Number and percentage of public servants in the agency who have completed the training requirements;

No exceptions noted.

ii. Number of sexual harassment complaints received by the agency;

No exceptions noted.

iii. Number of complaints which resulted in a finding that sexual harassment occurred;

No exceptions noted.

iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

No exceptions noted.

v. Amount of time it took to resolve each complaint.

No exceptions noted.

We were engaged by the Village of Loreauville 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 Village of Loreauville 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.

Champagne & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
October 5, 2026

VILLAGE OF LOREAUVILLE
Loreauville, Louisiana

Management's Response to Statewide Agreed-upon Procedures
For the Year Ended June 30, 2026

Management Response to Item:

1A-ii, xii	Management will update its written policies and procedures to address all missing criteria.
4B-ii, iii, 5B-i, iii	Efforts will be made to segregate duties within these areas as much as possible with the limited number of employees involved.
8A-i	Management will ensure contracts that are initiated include approval by the governing board.
14C	Management will ensure the entity's sexual harassment report will be prepared prior to February 1st of each year.