

TOWN OF LIVONIA, LOUISIANA

FINANCIAL STATEMENTS

December 31, 2024

TOWN OF LIVONIA, LOUISIANA

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Members of the Town Council,
Town of Livonia, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the **TOWN OF LIVONIA, LOUISIANA (TOWN)** as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town as of December 31, 2024, 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, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town'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, *Government Auditing Standards* and the *Louisiana Governmental Audit Guide* 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, *Government Auditing Standards* and the *Louisiana Governmental Audit Guide*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison and pension plan information on pages 4 through 12 and Exhibits B through B-4 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head and the Act 87 Justice System Funding Schedule presented on pages 53 and 54 are for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head and the Act 87 Justice System Funding Schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Audit Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2025, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Livonia, 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 Town's internal control over financial reporting and compliance.

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
May 30, 2025

TOWN OF LIVONIA, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our analysis of The Town of Livonia's (Town) financial performance provides an overview of the Town's financial activities for the year ended December 31, 2024. The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts. This MD&A should be read in conjunction with the financial statements which begin on Exhibit A.

FINANCIAL HIGHLIGHTS

In 2024, the Town experienced a decrease in governmental revenues by 2%, or \$55,000 relative to the prior year, while governmental expenses decreased by \$11,000, or 1%, compared to the prior year. The business-type revenues decreased by \$217,000, or 6% from the prior year, while business-type expenses increased by \$152,000, or 5%.

The major financial highlights for 2024 are as follows:

Government-wide financial statements

- Assets and deferred outflows of resources of the Town's primary government exceeded its liabilities and deferred inflows of resources at the close of the year by \$7 million (net position). Of this amount, \$3.5 million (unrestricted net position) may be used without restrictions to meet the Town's ongoing obligations to citizens.
- The primary government's total net position increased by \$1 million during 2024.
- Governmental activities' net position increased by \$490,000 due to increases in video poker taxes and investment earnings along with increases in expenditures related to general government contractual services and facility repairs, decreases in public safety related to contractual services and pension contributions.
- Business-type activities' net position increased by \$530,000 due to increases in investment earnings, proceeds from insurance claims and increases in transfers from governmental activities.

General Fund financial statements

- As of the end of the year, governmental funds reported a fund balance of \$3.4 million, an increase of \$497,000 in comparison to the prior year's increase in fund balance of \$702,000. Approximately 23% of the fund balance (\$770,000) is assigned for purposes relating to recreation activities and municipal complex construction.

Significant aspects of the Town's financial well being, as of and for the year ended December 31, 2024, are detailed throughout this analysis.

USING THIS ANNUAL REPORT

The Town's financial statements focus on the government as a whole and on major individual funds. Both government-wide and fund perspectives allow the reader to address relevant questions, broaden a basis for comparison from year to year, and enhance the Town's accountability.

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 13 and 14) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances.

Fund financial statements start on page 15. For governmental activities, these statements depict how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds.

The Town's auditor has provided assurance in their independent auditors' report, located immediately preceding this MD&A, that the financial statements are fairly presented in all material respects. Varying degrees of assurance are being provided by the auditor regarding the Required Supplementary Information. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided for each part of this report.

Reporting on the Town as a Whole

The financial statements of the Town as a whole begin on page 13. The Statement of Net Position and the Statement of Activities report information about the Town as a whole and its activities in a way to determine if the Town is in better condition, compared to the prior year. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to accounting methods used by most private-sector companies. All of the current year's revenues and expenses are reported regardless of when cash is received or paid. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods.

These two statements report the Town's net position and related changes. The Town's financial health, or financial position, can be measured by its net position—the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, the Town's operations are divided into two kinds of activities:

Governmental activities - Most of the Town's basic services are reported here, including public safety, highway and streets, culture and recreation, and general administration. Property and sales taxes, franchise fees and fines finance most of these activities.

Business-type activities - The Town charges a fee to customers to fund the cost of the gas, water, and sewer services it provides.

The analysis of the primary government focuses on the net position and change in net position of the Town's governmental activities and business-type activities is as follows:

Town of Livonia, Louisiana Statements of Net Position December 31, 2024 and 2023 (in thousands)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 3,468	\$ 2,963	\$ 1,514	\$ 1,335	\$ 4,982	\$ 4,298
Capital assets	<u>1,213</u>	<u>1,268</u>	<u>3,851</u>	<u>3,906</u>	<u>5,064</u>	<u>5,174</u>
Total assets	4,681	4,231	5,365	5,241	10,046	9,472
Deferred outflows of resources	<u>227</u>	<u>442</u>	<u>-</u>	<u>-</u>	<u>227</u>	<u>442</u>
Total assets & deferred outflows of resources	<u>\$ 4,908</u>	<u>\$ 4,673</u>	<u>\$ 5,365</u>	<u>\$ 5,241</u>	<u>\$ 10,273</u>	<u>\$ 9,914</u>
Current and other liabilities	\$ 69	\$ 71	\$ 250	\$ 656	\$ 319	\$ 727
Long-term liabilities	<u>1,034</u>	<u>1,210</u>	<u>1,836</u>	<u>1,836</u>	<u>2,870</u>	<u>3,046</u>
Total liabilities	<u>1,103</u>	<u>1,281</u>	<u>2,086</u>	<u>2,492</u>	<u>3,189</u>	<u>3,773</u>
Deferred inflows of resources	<u>69</u>	<u>146</u>	<u>-</u>	<u>-</u>	<u>69</u>	<u>146</u>
Net position:						
Net investment in capital assets	1,213	1,268	2,014	1,840	3,227	3,108
Restricted	-	-	324	297	324	297
Unrestricted	<u>2,523</u>	<u>1,978</u>	<u>941</u>	<u>612</u>	<u>3,464</u>	<u>2,590</u>
Total net position	<u>3,736</u>	<u>3,246</u>	<u>3,279</u>	<u>2,749</u>	<u>7,015</u>	<u>5,995</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 4,908</u>	<u>\$ 4,673</u>	<u>\$ 5,365</u>	<u>\$ 5,241</u>	<u>\$ 10,273</u>	<u>\$ 9,914</u>

At December 31, 2024, the Town's net position was \$7.0 million, of which \$3.5 million is unrestricted and \$3.2 million was invested in capital assets, net of related debt outstanding. Restricted net position is reported separately to show legal constraints from legislation that limits the Town's ability to use that net position for day-to-day operations. Restricted net position as of December 31, 2024 was \$323,600 and is restricted to meet debt service requirements. Unrestricted net position represents the part of net position that can be used to finance day-to-day operations without constraints established by legislation or other legal requirements. The \$2.5 million in unrestricted net position of governmental activities represents the cumulative results of operations since the Town's inception.

The changes in net position are discussed later in this analysis. The results of 2024 and 2023 operations for the primary government as reported in the Statement of Activities, are as follows:

Town of Livonia						
Statement of Activities						
For the years ended December 31, 2024 and 2023						
(in thousands)						
	Governmental		Business-Type		Total	
	Activites		Activites			
	2024	2023	2024	2023	2024	2023
Revenue:						
Program:						
Charges for services	\$ 1,228	\$ 1,349	\$ 849	\$ 921	\$ 2,077	\$ 2,270
Operating grants	36	36	226	293	262	329
Capital grants	-	2	262	362	262	364
General:						
Sales taxes	519	544	-	-	519	544
Video poker taxes	244	206	-	-	244	206
Franchise taxes	100	99	-	-	100	99
Ad valorem taxes	58	53	-	-	58	53
Investment and other	198	149	68	46	266	195
Total revenues	<u>2,383</u>	<u>2,438</u>	<u>1,405</u>	<u>1,622</u>	<u>3,788</u>	<u>4,060</u>
Functions/ Program Expenses:						
General government	251	223	-	-	251	223
Public safety	1,045	1,118	-	-	1,045	1,118
Highway and streets	289	264	-	-	289	264
Health and welfare	1	-	-	-	1	-
Culture and recreation	82	74	-	-	82	74
Utility operations	-	-	1,100	948	1,100	948
Total expenses	<u>1,668</u>	<u>1,679</u>	<u>1,100</u>	<u>948</u>	<u>2,768</u>	<u>2,627</u>
Change in net position						
before transfers	715	759	305	674	1,020	1,433
Transfers	<u>(225)</u>	<u>(120)</u>	<u>225</u>	<u>120</u>	<u>-</u>	<u>-</u>
Change in net position	490	639	530	794	1,020	1,433
Beginning net position	<u>3,246</u>	<u>2,607</u>	<u>2,749</u>	<u>1,955</u>	<u>5,995</u>	<u>4,562</u>
Ending net position	<u>\$ 3,736</u>	<u>\$ 3,246</u>	<u>\$ 3,279</u>	<u>\$ 2,749</u>	<u>\$ 7,015</u>	<u>\$ 5,995</u>

Net position of the Town's governmental activities increased by 15% or \$490,000 during 2024 and the net position of the Town's business activities increased by 19% or \$530,000 during 2024. The Town operates gas, water, and sewer services for its citizens.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statement presentation more familiar. The focus is on major funds, rather than generic fund types.

Reporting the Town's Most Significant Funds

The analysis of the Town's major funds begins on page 15 with the fund financial statements that provide detailed information about the most significant funds—not the Town as a whole. Some funds are required to be established by State law or by bond covenants. However, the Town Council establishes other funds to control and manage money for particular purposes or meeting legal responsibilities for using certain taxes, grants, and other money. The Town's two kinds of funds—governmental and proprietary—use different accounting approaches.

Governmental funds—Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Most of the Town's basic services are reported in governmental funds. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental fund, the General Fund, is described in a reconciliation to the financial statements. The governmental major fund (Exhibits A-2 and A-4) presentation is presented using modified accrual basis and focuses on the major funds of the Town. The Town's only governmental fund is the General Fund.

Proprietary funds - When the Town charges customers for the services it provides—whether to outside customers or to other units of the Town—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Town's enterprise fund (Public Utility Fund) is the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and can be found in Exhibit A-9.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning original and final budgetary comparisons to actual results for the year for the Town's budgetary funds.

Financial Analysis of the General Fund

The general government operations of the Town are accounted for in the General Fund. The focus of this fund, as noted earlier, is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. The following is a summary of general governmental operations for 2024 and 2023:

	General Fund	
	(in thousands)	
	2024	2023
Revenues and other financing sources	\$ 2,342	\$ 2,463
Expenditures and other financing uses	<u>1,845</u>	<u>1,761</u>
Net change in fund balance	497	702
Fund balance - beginning	<u>2,893</u>	<u>2,191</u>
Fund balance - ending	<u><u>\$ 3,390</u></u>	<u><u>\$ 2,893</u></u>

The Town's General Fund experienced an increase in fund balance of \$497,000 during 2024 that primarily resulted from increase in video poker taxes and investment income compared to the prior year. At year end, the fund's balance was \$3.4 million, of which \$2.6 million was unassigned and available for utilization at the Town's discretion.

General Fund revenues, excluding other financing sources, are summarized below:

	2024		2023	
	(In thousands)			
Taxes	\$ 925	40%	\$ 907	38%
Fines	1,074	46%	1,217	50%
Licenses and permits	133	6%	108	4%
Intergovernmental	36	2%	36	1%
Charges for services	10	-	24	1%
Investments and other	160	6%	118	6%
Total	\$ 2,338	100%	\$ 2,410	100%

Revenues of the General Fund for 2024 totaled approximately \$2.3 million, representing a decrease of 3% from the previous year.

The Town's activities are largely supported by fines and taxes, which represented 86% of total governmental resources during 2024.

Expenditures of the General Fund increased by \$31,600 or 2% in 2024, primarily related to an increase in general government expenditures of \$30,900. Governmental expenditures by functions are summarized as follows:

	2024		2023	
	(In thousands)			
<u>Function</u>				
General government	\$	247 15%	\$	218 14%
Public safety		1,022 63%		1,052 66%
Highways and streets		209 13%		189 12%
Culture and recreation		43 3%		36 2%
Health and welfare		1 -		- -
Capital outlay		99 6%		94 6%
Total	\$	1,621 100%	\$	1,589 100%

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Town's General Fund budget was amended which is a customary practice of the Town for changes that occur with financial matters. The most significant changes during 2024 were as follows:

- A decrease in traffic fines of \$440,000,
- A decrease in sales tax revenue of \$20,000,
- An increase in investment income of \$20,000,
- A decrease in capital outlay expenditures of \$40,000,
- A decrease in public safety expenditures of \$164,000.

With these adjustments, revenues were \$111,000 more than the related final budget amounts of \$2.2 million, and charges to appropriations (expenditures) were \$3,500 less than the related final budget appropriation of \$1.6 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2024, the Town had \$11.8 million invested in a broad range of capital assets, including vehicles, computer equipment, office furniture, land, buildings, water and gas distribution systems, and a sewer treatment facility.

	Governmental Activities		Business-Type Activities		Totals	
			(in thousands)			
	2024	2023	2024	2023	2024	2023
Land	\$ 131	\$ 131	\$ 36	\$ 36	\$ 167	\$ 167
Construction in process	-	-	-	389	-	389
Buildings	787	787	122	122	909	909
Infrastructure	1,056	1,056	-	-	1,056	1,056
Furniture and equipment	617	596	17	17	634	613
Vehicles	375	320	77	77	452	397
Tractors	357	347	291	279	648	626
Utility systems	-	-	7,936	7,346	7,936	7,346
Total capital assets	3,323	3,237	8,479	8,266	11,802	11,503
Accumulated depreciation	(2,110)	(1,969)	(4,628)	(4,360)	(6,738)	(6,329)
Capital assets, net	<u>\$ 1,213</u>	<u>\$ 1,268</u>	<u>\$ 3,851</u>	<u>\$ 3,906</u>	<u>\$ 5,064</u>	<u>\$ 5,174</u>

The Town elected to capitalize infrastructure assets on a prospective basis as a Phase 3 government, which is permitted by GASB No. 34. More detailed information about the Town's capital assets is presented in Note 6 to the financial statements.

Long-term Debt

At the end of 2024, the Town had \$1.8 million in long-term debt outstanding related to the sewer construction project. This represents a decrease of \$195,000 from 2023, as shown below:

	Balance Beginning of Year	Additions	Reductions	Balance end of Year	Amount due within one year
Public improvement					
revenue bonds	\$ 2,031,151	\$ -	\$ 195,000	\$ 1,836,151	\$ 197,000
Net pension liability	<u>1,210,344</u>	<u>-</u>	<u>176,576</u>	<u>1,033,768</u>	<u>-</u>
	<u>\$ 2,031,151</u>	<u>\$ -</u>	<u>\$ 195,000</u>	<u>\$ 1,836,151</u>	<u>\$ 197,000</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Town's elected and appointed officials considered many factors when setting the 2025 budget and tax rates. One of those factors is the local economy, with the major economic industries in the surrounding area being agriculture and manufacturing.

An important factor affecting the budget is the Town's sales taxes and fines and forfeitures revenues which approximate 68% of budgeted revenue in the General Fund. The Town budgeted an increase in revenue of \$74,400 in the General Fund compared to 2024 actual results for the current year. The increase relates to revenue to be received from sales taxes and fines. Overall, expenditures for 2025 are expected to remain relatively consistent with 2024 actual results.

Contacting the Town's Financial Management

This financial report is designed to provide the citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show accountability for the money the Town receives. Questions about this report or a need for additional financial information should be directed to the Town's Finance Office at (225) 637-2981 or P.O. Box 307, Livonia, LA 70755.

BASIC FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS

TOWN OF LIVONIA, LOUISIANA

STATEMENT OF NET POSITION

December 31, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,332,141	\$ 965,384	\$ 4,297,525
Accounts receivable, net	98,381	78,954	177,335
Grant receivable	-	35,400	35,400
Due from other governments	21,860	618	22,478
Prepaid assets	15,336	8,328	23,664
Restricted assets:			
Customer utility deposits	-	101,656	101,656
Debt service	-	323,606	323,606
Capital assets:			
Nondepreciable	130,537	36,073	166,610
Depreciable, net	1,082,772	3,814,596	4,897,368
Total assets	4,681,027	5,364,615	10,045,642
DEFERRED OUTFLOWS OF RESOURCES			
Pension liability	226,528	-	226,528
Total assets and deferred outflows of resources	\$ 4,907,555	\$ 5,364,615	\$ 10,272,170
LIABILITIES			
Accounts payable and accrued liabilities	\$ 68,489	\$ 147,848	\$ 216,337
Customer utility deposits	-	101,630	101,630
Long-term payables:			
Due within one year	-	197,000	197,000
Due in more than one year	-	1,639,151	1,639,151
Net pension liability	1,033,768	-	1,033,768
Total liabilities	1,102,257	2,085,629	3,187,886
DEFERRED INFLOWS OF RESOURCES			
Pension liability	68,733	-	68,733
Total liabilities and deferred inflows of resources	1,170,990	2,085,629	3,256,619
NET POSITION			
Net investment in capital assets	1,213,309	2,014,518	3,227,827
Restricted for debt service	-	323,606	323,606
Unrestricted	2,523,256	940,862	3,464,118
Total net position	3,736,565	3,278,986	7,015,551
Total liabilities, deferred inflows of resources, and net position	\$ 4,907,555	\$ 5,364,615	\$ 10,272,170

Notes on Exhibit A-9 are an integral part of this statement.

TOWN OF LIVONIA, LOUISIANA
STATEMENT OF ACTIVITIES

For the year ended December 31, 2024

	Program Revenues				Net Revenue (Expenses) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs							
Primary government:							
Governmental activities:							
General government	\$ 251,123	\$ 143,056	\$ -	\$ -	\$ (108,067)	\$ -	\$ (108,067)
Public safety	1,045,130	1,074,689	36,020	-	65,579	-	65,579
Highway and streets	288,554	-	-	-	(288,554)	-	(288,554)
Health and welfare	529	405	-	-	(124)	-	(124)
Culture and recreation	81,509	9,475	-	-	(72,034)	-	(72,034)
Total governmental activities:	1,666,845	1,227,625	36,020	-	(403,200)	-	(403,200)
Business-type activities:							
Utility operations	1,099,876	849,036	225,898	262,154	-	237,212	237,212
Total primary government	\$ 2,766,721	\$ 2,076,661	\$ 261,918	\$ 262,154	(403,200)	237,212	(165,988)
General revenues:							
Taxes:							
Sales					518,767	-	518,767
Video poker					244,469	-	244,469
Franchise					99,639	-	99,639
Ad valorem					57,821	-	57,821
Beer					3,927	-	3,927
Pension revenue					29,680	-	29,680
Investment earnings					159,837	60,473	220,310
Proceeds from insurance					-	7,188	7,188
Gain on sale of capital assets					4,278	-	4,278
Transfers					(225,000)	225,000	-
Total general revenues					893,418	292,661	1,186,079
Change in net position					490,218	529,873	1,020,091
Net position - beginning of year					3,246,347	2,749,113	5,995,460
Net position - end of year					\$ 3,736,565	\$ 3,278,986	\$ 7,015,551

Notes on Exhibit A-9 are an integral part of this statement.

TOWN OF LIVONIA, LOUISIANA

BALANCE SHEET GOVERNMENTAL FUND

December 31, 2024

	General Fund
ASSETS	
Cash and cash equivalents	\$ 3,332,141
Accounts receivable, net	98,381
Due from other governments	21,860
Prepaid assets	<u>15,336</u>
Total assets	<u><u>\$ 3,467,718</u></u>
LIABILITIES	
Accounts payable and accrued liabilities	\$ 68,489
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - Charges for services	10,000
FUND BALANCE	
Nonspendable	15,336
Assigned	770,031
Unassigned	<u>2,603,862</u>
Total fund balance	<u><u>3,389,229</u></u>
Total liabilities, deferred inflows of resources, and fund balance	<u><u>\$ 3,467,718</u></u>

Notes on Exhibit A-9 are an integral part of this statement.

TOWN OF LIVONIA, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION

December 31, 2024

Total net assets reported for governmental activities in the statement of net position is different because:

Total fund balance - governmental fund (Exhibit A-2)		\$ 3,389,229
Capital assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental fund, net of accumulated depreciation.		1,213,309
Some revenues were collected more than sixty days after year-end and, therefore, are not available soon enough to pay for current-period expenditures		
Charges for services		10,000
Pension related obligations are not due and payable with current resources and, therefore, are not reported in governmental funds.		
Deferred outflows related to pension liability	226,528	
Deferred inflows related to pension liability	(68,733)	
Net pension liability	<u>(1,033,768)</u>	<u>(875,973)</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 3,736,565</u></u>

TOWN OF LIVONIA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUND

For the year ended December 31, 2024

	General Fund
REVENUES	
Taxes:	
Sales and use	\$ 518,767
Video poker	244,469
Franchise	99,639
Ad valorem	57,821
Beer	3,927
Fines	1,074,689
License and permits	133,056
Intergovernmental	36,020
Charges for services	9,880
Investment and other	159,837
	<hr/>
Total revenues	2,338,105
EXPENDITURES	
Current function:	
General government	246,759
Public safety	1,022,672
Highways and streets	209,037
Health and welfare	529
Culture and recreation	42,866
Capital outlay	98,724
	<hr/>
Total expenditures	1,620,587
	<hr/>
Excess of revenues over expenditures	717,518
OTHER FINANCING SOURCES (USES)	
Proceeds from sale of capital assets	4,278
Transfers out to Public Utility Fund	(225,000)
	<hr/>
Total other financing sources (uses)	(220,722)
	<hr/>
Net change in fund balance	496,796
FUND BALANCE	
Beginning of year	2,892,433
	<hr/>
End of year	\$ 3,389,229
	<hr/>

Notes on Exhibit A-9 are an integral part of this statement.

TOWN OF LIVONIA, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES

For the year ended December 31, 2024

The change in net position reported for governmental activities in the statement of activities is different because:

Net change in fund balance - total governmental funds (Exhibit A-4)		\$ 496,796
The governmental fund reports capital outlay as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay.		
Capital outlay	98,724	
Depreciation expense	<u>(153,451)</u>	(54,727)
Because some revenues are not collected for sixty days after year end, they are not considered "available" revenues in the governmental funds		10,000
Changes in net pension obligations are reported only in the Statement of Activities		<u>38,149</u>
Change in net position of governmental activities (Exhibit A-1)		<u>\$ 490,218</u>

TOWN OF LIVONIA, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUND

December 31, 2024

	<u>Public Utility Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 965,384
Accounts receivable, net	78,954
Grant receivable	35,400
Due from other governments	618
Prepaid expenses	<u>8,328</u>
Total current assets	1,088,684
Restricted cash:	
Customer utility deposits	101,656
Debt service	323,606
Capital assets:	
Nondepreciable	36,073
Depreciable, net	<u>3,814,596</u>
Total assets	<u><u>\$ 5,364,615</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 147,848
Customer utility deposits	<u>101,630</u>
Total current liabilities	249,478
Non-current liabilities:	
Due within one year	197,000
Due in more than one year	<u>1,639,151</u>
Total liabilities	<u>2,085,629</u>
NET POSITION	
Net investment in capital assets	2,014,518
Restricted for debt service	323,606
Unrestricted	<u>940,862</u>
Total net position	<u>3,278,986</u>
Total liabilities and net position	<u><u>\$ 5,364,615</u></u>

Notes on Exhibit A-9 are an integral part of this statement.

TOWN OF LIVONIA, LOUISIANA**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUND**

For the year ended December 31, 2024

	Public Utility Fund
OPERATING REVENUES	
Charges for services:	
Natural gas	\$ 258,299
Water	356,637
Sewer	180,846
Other	<u>53,254</u>
Total operating revenues	<u>849,036</u>
OPERATING EXPENSES	
Personnel	332,132
Depreciation	268,266
Maintenance and supplies	279,432
Utilities	54,250
Natural gas purchases	46,919
Insurance	44,602
General and administrative	38,925
Professional services	<u>26,649</u>
Total operating expenses	<u>1,091,175</u>
Operating loss	(242,139)
NONOPERATING	
Investment earnings	60,473
Operating grants and contributions	225,898
Capital grants and contributions	262,154
Proceeds from insurance reimbursement	7,188
Interest expense	<u>(8,701)</u>
Total nonoperating, net	<u>547,012</u>
Income before transfers in	304,873
Transfers in from General Fund	<u>225,000</u>
Change in net position	529,873
NET POSITION	
Beginning of year	<u>2,749,113</u>
End of year	<u>\$ 3,278,986</u>

Notes on Exhibit A-9 are an integral part of this statement.

TOWN OF LIVONIA, LOUISIANA

PROPRIETARY FUND
STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

	Public Utility Fund
CASH FLOW FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 851,376
Payments to suppliers	(442,147)
Payments to employees	(332,132)
	<u>77,097</u>
Net cash provided by operating activities	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Increase in customer deposits	5,600
Investment earnings	60,473
Operating grants and contributions	225,898
Transfers in from other funds	225,000
Proceeds from insurance reimbursement	7,188
	<u>524,159</u>
Net cash provided by noncapital financing activities	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital grants and contributions	262,154
Purchases of capital assets	(247,517)
Decrease in unearned revenues	(231,005)
Principal payment on bonds	(195,000)
Interest payments on bonds	(8,701)
	<u>(420,069)</u>
Net cash used by capital and related financing activities	
Net increase in cash	181,187
CASH	
Beginning of period	<u>1,209,459</u>
End of period	<u>\$ 1,390,646</u>
RECONCILIATION OF CASH	
Cash and cash equivalents	\$ 965,384
Restricted cash and cash equivalents	<u>425,262</u>
Total cash	<u>\$ 1,390,646</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating loss	\$ (242,139)
Adjustments for to reconcile operating loss to net cash provided by operating activities:	
Depreciation	268,266
Change in operating assets and liabilities:	
Accounts receivable, grant receivables, due from other governments and other assets	1,744
Accounts payable, accrued liabilities, and unearned revenues	<u>49,226</u>
Net cash provided by operating activities	<u>\$ 77,097</u>

Notes on Exhibit A-9 are an integral part of this statement.

TOWN OF LIVONIA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement Presentation

The Town of Livonia was established in 1846, incorporated in 1960 and is a political subdivision of the State of Louisiana. The Town, under the provisions of the Lawrason Act, enacts ordinances, sets policy and establishes programs in such fields as public safety, public works, health and welfare, culture and recreation, and utility operations.

The financial statements of the Town of Livonia, Louisiana (Town) have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The most significant accounting policies established in GAAP and used by the Town are described below. The Town follows GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain significant components in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Town’s overall financial position and results of operations,
- Financial statements prepared using accrual basis accounting for all of the Town’s activities, including infrastructure (roads, bridges, etc.), and
- Fund financial statements to focus on the major funds.

Reporting Entity

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

GASB Statement No. 14, as amended by GASB Statement No. 61, established criteria for determining which component units should be considered part of the Town for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability.

(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

The criteria for determining which component units should be considered part of the Town for financial reporting purposes are as follows:

- Legal status of the potential component unit including the right to incur its own debt. Levy its own taxes and charges, expropriate property in its own name, sue or be sued, and the right to buy, sell and lease property in its own name;
- Whether the Town governing authority (the Council and/or Mayor) appoints a majority of board members of the potential component unit and is able to impose its will on that organization;
- Fiscal interdependency between the Town and the potential component unit;
- Imposition of will by the Town on the potential component unit; and
- Financial benefit/burden relationship between the Town and the potential component unit.

As required by generally accepted accounting principles, these financial statements present the Town and, where applicable, its component units. However, there are no component units to be included either blended within the Town's funds or discretely presented in these financial statements.

Basis of Presentation

The Town's basic financial statements consist of the government-wide statements of the primary government and the fund financial statements (individual major funds). The Town's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and applied to governmental units.

Government-wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all non-fiduciary activities of the Town. As a general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the government as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

These statements distinguish between the governmental and business-type activities of the Town.

Governmental activities generally are financed through taxes, intergovernmental revenues, fines, charges for services, and other nonexchange revenues.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide Financial Statements (Continued)

Business type activities are financed in whole or in part by fees charged to external parties for utility services provided. The Town's natural gas, sewer, and water services are classified as business-type activities.

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

Fund Financial Statements

The fund financial statements are very similar to the traditional government fund statements as prepared by governments prior to the issuance of GASB No. 34. Emphasis is now on the major funds in either the governmental or business-type categories. Non-major funds (by category) or fund type are summarized into a single column in the basic financial statements. The Town does not have any non-major funds in 2024.

The daily operations of the Town continue to be organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, equity, revenues and expenditures or expenses, as appropriate. Funds are organized into three major categories: governmental, proprietary and fiduciary. The Town does not have any fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories.

A fund is considered major if it is the primary operating fund of the Town (the General Fund) or meets the following criteria:

- Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued)

Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be expended and the means by which spending activities are controlled. The various funds of the primary government presented in the financial statements are described as follows:

Governmental Fund Types

Governmental funds are those through which most governmental functions of the Town are financed. The acquisition, use, and balances of expendable financial resources and related liabilities of the Town are accounted for through governmental funds. Measurement is focused upon determining changes in financial position, rather than net income.

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

Proprietary Fund Types

Enterprise Funds – Enterprise funds are used to account for operations (1) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or changes in net position is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Proprietary funds distinguish operating revenues and expenses from nonoperating items.

Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The Town considers the Public Utility Fund a major enterprise fund.

(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus

Government-wide financial statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Program revenues for governmental activities include operating and capital grants, traffic fines, and occupational licenses and permits.

Fund financial statements

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included in the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in fund balance. Governmental funds are maintained on the modified accrual basis of accounting. Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). "Available" means collectible within the current period or within 60 days after year-end. Charges for services, fines and forfeitures, and most governmental revenues, are recorded as earned since they are measurable and available.

Nonexchange transactions, in which the Town receives value without directly giving value in return, includes sales tax, ad valorem tax, and intergovernmental grants. Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15th of each year, and become delinquent after December 31st. The taxes are generally collected in December of the current year and January and February of the following year.

Sales taxes are recorded when in the possession of the intermediary collecting agent and are recognized as revenue at that time and are subject to the availability criteria. Grants are recorded as revenue when the Town is entitled to the funds, generally corresponding to when grant related costs are incurred by the Town, but subject to the availability criteria.

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for (1) unmatured interest on general long-term debt which is recognized when due, and (2) claims and judgments, and compensated absences which are recorded as expenditures in the governmental fund type when paid with expendable financial resources. Allocations of costs such as depreciation and amortization are not recognized in the governmental funds.

All proprietary funds are accounted for on a flow of economic resources measurement focus. Proprietary funds are maintained on the accrual basis of accounting whereas revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents for the Town include the Louisiana Asset Management Pool (LAMP) account deposits as well as the Town's operating cash accounts.

For an investment, custodial credit risk that, in the event of the failure of the counter party, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The investment policy of the Town is governed by state statutes that include depository and custodial contract provisions.

The Town invests funds in accordance with L.R.S. 39:1211-1245 and 33:2955 which include, but are not limited to, United States Treasury Bonds, Treasury Notes, Treasury Bills, and fully collateralized interest-bearing checking accounts and certificates of deposit. Other provisions require depositories to insure or collateralize all deposits in accordance with state law and require securities collateralizing deposits to be held by an independent third party with whom the Town has a custodial agreement. The Town primarily utilizes the LAMP to invest idle funds and records amounts invested at fair market value.

For purposes of the Statement of Cash Flows, investments with a maturity of three months or less are considered to be cash equivalents.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. See Note 2.

Accounts Receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. In government activities and business-type activities, uncollectible amounts due from billing receivables are recognized as bad debts through the use of an allowance account or are directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. An allowance for doubtful accounts of \$3,300 and \$12,000 in the General Fund and Public Utility Fund, respectively, was recorded at December 31, 2024.

Leased Asset Receivable

Leased asset receivables are a result of leases in which the Town has entered into a contract with a lessee that delivers the right to use a nonfinancial asset of the Town as specified by the contract for a period of time in an exchange or exchange-like transaction. Such receivables are reported on the government-wide financial statements at present value of the lease payments to be received during the lease term.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leased Asset Receivable (continued)

Additionally, the Town would recognize a deferred inflow of resources that is reported at the value of the lease receivable plus any payments received at or before the commencement of the lease for future periods. Assets of agreement entered into in which the Town is the lessor are retained as capital assets of the Town and are reported in the government-wide financial statements as described under Capital Assets. The Town has not entered into any agreements delivering control of a right to use a nonfinancial asset to a lessee as described at December 31, 2024.

Interfund Receivables/Payables

During the course of operations, transactions may occur between individual funds. Those related to short-term borrowings are classified as “due from other funds” or “due to other funds” on the balance sheet. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” There were no interfund receivables/payables as of December 31, 2024.

Capital Assets

The accounting treatment of property, plant, and equipment (capital assets) 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.

Government-wide Statements

In the government-wide financial statements, all capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at acquisition value at the date of donation. Major capital outlays for capital assets and improvements are capitalized at the completion of construction projects.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are expensed.

Prior to the implementation of GASB No. 34, governmental fund’s infrastructure assets were not capitalized. The Town has elected to capitalize infrastructure expenditures on a prospective basis.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide Statements (Continued)

The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	10 - 40 years
Infrastructure	15 - 40 years
Furniture	5 - 10 years
Vehicles	5 - 10 years
Tractors	5 - 10 years

Fund Financial Statements

In the fund financial statements capital assets used in governmental fund operations are recorded as capital outlay expenditures of the governmental fund types when purchased. Capital assets used in proprietary fund operations are accounted for in the same manner as in government-wide statements.

Property, plant and equipment used by the proprietary funds are stated at cost. Interest costs incurred during construction periods are capitalized. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

Buildings and improvements	7 - 40 years
Utility systems	5 - 50 years
Machinery and equipment	3 - 10 years
Furniture and equipment	10 years
Vehicles	5 years

Right of Use Assets

Right of use assets are a result of leases in which the Town has entered into a contract with a lessor that conveys control of the right to use the lessor's nonfinancial asset as specified by the contract for a period of time in an exchange or exchange-like transaction. Such assets are reported on the government-wide financial statements net of amortization. Right of use assets are amortized at the lesser of the useful life or lease term. The Town has not entered into any agreements gaining control of the right to use a lessor's nonfinancial assets as described above at December 31, 2024.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subscription-Based Information Technology Arrangements

Subscription-based information technology arrangements (SBITA) are a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. Such assets are reported on the government-wide financial statement net of amortization. SBITA are amortized during the extent of the agreement. The Town has not entered into any material agreements gaining control of the right to use another party's information technology as described above at December 31, 2024.

Compensated Absences

The Town has the following policy relating to compensated absences:

<u>Length of Service</u>	<u>Annual Earned Hourly Allowance</u>	
	<u>8-Hr Employees</u>	<u>12-Hr Employees</u>
Less than 1 year	80	120
1-4 years	160	168
5 - 8 years	200	216
9 - 14 years	240	252
15+ years	280	288

An employee may not carry over more than 264 hours of compensated absences from one calendar year to another. A liability has been accrued in the fund financial statements for compensated absences as the Town anticipates that all compensated absence hours will be utilized in the subsequent year.

Government-wide and Proprietary Fund Net Position

Government-wide and proprietary fund net position is divided into three components:

- Net investment in capital assets – consist of the historical cost of capital assets less accumulated depreciation and related debt that was used to acquire those assets.
- Restricted net position – consist of net position that is restricted by the Town's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted – all other net position is reported in this category.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Balances

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

- Nonspendable – amounts that cannot be spent because they are either in a nonspendable form or they are legally or contractually required to be maintained intact.
- Restricted – amounts that can be spent only for specific purposes because of the Town Code, state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed – amounts that can be used only for specific purposes determined by a formal action by Town council ordinance.
- Assigned – amounts that are designated by the Mayor for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by Town Council.
- Unassigned – all amounts not included in other spendable classifications.

Use of Restricted Resources

When an expense is incurred in governmental funds that can be paid using either restricted or unrestricted resources (fund balance), the Town's policy is to apply the expenditure in the following priority:

1. Restricted fund balance,
2. Committed fund balance,
3. Assigned fund balance, and
4. Unassigned fund balance.

When an expense is incurred in government activities that can be paid using either restricted or unrestricted resources (net position), the Town's policy is to first apply the expense to the restricted net position before unrestricted net position is utilized.

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The Town has one item that qualifies for this category, which is pension liability and is reported in the government-wide statement.

In addition to liabilities, the Statement of Net Position, or Balance Sheet, will sometimes report separate sections for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) at that time. The Town's only items that qualify for this category are pension liability and unavailable revenues. The amounts deferred and recognized as an inflow of resources in the period that the amounts become available.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Transfers

Advances between funds which are not expected to be repaid are accounted for as transfers.

In cases where repayment is expected, the advances are accounted through the various interfund accounts. The General Fund transferred \$120,000 to the Utility Fund to assist in funding debt service requirements and \$105,000 for operational support.

Budget Policy and Budgetary Accounting

A proposed budget is prepared and submitted by the Mayor to the Town Council prior to the beginning of each fiscal year. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to the commencement of the budget year. The Town follows the requirements of Louisiana Budget Law. The Town is required to adopt its budget prior to December 31. Once adopted, the Mayor is able to transfer part or all of any appropriation within a department of a fund; however, the authority for other budget amendments resides with the Town Council.

The annual operating budget, prepared on the modified accrual basis, covers the General Fund and Public Utility Fund. At the end of the fiscal year, unexpended appropriations automatically lapse. Budget amendments are approved by the Town Council and are included in the financial statements.

In connection with budget preparation, a portion of the unassigned fund balance of an individual fund may be designated for expenditures of the subsequent year. Such designation represents the extent to which the fund balance is used to balance the subsequent year's operating budget of that fund, as reflected in the legally adopted budget.

Sales and Use Tax

The Town has a permanent one cent sales and use tax that is available for general purposes.

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 disclosures of contingent assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for the allowance for uncollectible accounts, capital assets, depreciation, net pension liability, and grants receivable.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current Accounting Standards Implemented

Accounting Changes and Error Corrections

During the fiscal year, the Town implemented policies under GASB Statement No. 100, *Accounting Changes and Error Corrections*, which is an amendment of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement requires that changes in accounting principles and error corrections be reported retroactively by restating prior periods, changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement also requires that information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. The impact of this statement had no effect on the financial statements for the year ended December 31, 2024.

Compensated Absences

Effective January 1, 2024, the Town implemented policies under GASB Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. In addition, this Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. This statement has no impact on the Town's financial statements at December 31, 2024.

Subsequent Events

In preparing these financial statements, the Town has evaluated events and transactions for potential recognition or disclosure through May 30, 2025, which was the date the financial statements were available to be issued.

NOTE 2 - CASH AND CASH EQUIVALENTS

The Town may invest in United States bonds, treasury notes, or certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana or other qualifying federally insured investments.

Custodial credit risk is the risk that in the event of a financial institution failure, the Town's deposits may not be returned to them. To mitigate this risk, state law requires public deposits to be secured by federal deposit insurance or the pledge of qualified securities owned by the fiscal agent financial institution. As of December 31, 2024, the Town had no unsecured deposits.

NOTE 2 - CASH AND CASH EQUIVALENTS (CONTINUED)

Louisiana Asset Management Pool (LAMP)

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

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public investments.

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

- Credit risk: LAMP is rated AAAm by Standard & Poor's.
- Custodial risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 68 days as of December 31, 2024.
- Foreign currency risk: Not applicable.

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

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

As of December 31, 2024, the Town had a balance of \$4,311,831 invested in LAMP.

NOTE 2 - CASH AND CASH EQUIVALENTS (CONTINUED)

Louisiana Asset Management Pool (LAMP) (Continued)

The government's investments are categorized as either (1) insured or registered for which the securities are held by the government or its agent in the government's name, (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in the government's name, or (3) uninsured and unregistered for which securities are held by the broker or dealer, or by its trust department or agent but not in the government's name.

Cash and cash equivalents consisted of the following as of December 31, 2024:

Unrestricted:

Investments in LAMP	\$ 3,357,444
Deposits	359,883
Cash on hand	200
Total unrestricted	<u>\$ 3,717,527</u>

Restricted:

Investments in LAMP	\$ 954,387
Deposits	50,873
Total restricted	<u>\$ 1,005,260</u>

NOTE 3 - CONCENTRATION OF CREDIT RISK - ENTERPRISE FUND

Accounts receivable and related user fees from utility customers were comprised largely of residents in the Town. Most customers have made deposits to partially secure their outstanding balance. During 2024, one commercial customer represented approximately 42% of total water revenues for the Town.

NOTE 4 - ACCOUNTS RECEIVABLE AND DUE FROM OTHER GOVERNMENTS

Accounts receivable at December 31, 2024 for the primary government, were as follows:

Primary Government

Utility charges, net	\$ 78,954
Ad valorem taxes	55,841
Franchise taxes	24,599
Other, net	17,941
Total primary government	<u>\$ 177,335</u>

**NOTE 4 - ACCOUNTS RECEIVABLE AND DUE FROM OTHER GOVERNMENTS
(CONTINUED)**

Due from other governments at December 31, 2024 for the primary government, were:

Primary Government

Video poker taxes	\$ 21,723
Other receivables	<u>755</u>
Total primary government	<u>\$ 22,478</u>

NOTE 5 - AD VALOREM TAXES

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15% of fair market value; and public service properties, excluding land, are to be assessed at 25% of fair market value.

Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (LRS 47:1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

All ad valorem (property) taxes are recorded in governmental funds, and as explained in Note 1, and are recognized in the accounting period in which they become available and measurable. Property taxes are considered measurable in the calendar year of the tax levy. Accordingly, the taxes assessed for the calendar year falling within the current fiscal year are recorded as revenue.

Property taxes are collected by the tax collector and remitted to the Town within the availability period and are therefore, available to liquidate liabilities of the current period.

Taxes are levied by the Town in September or October and are billed to the taxpayers in November. Billed taxes become delinquent on December 31st. Revenues from ad valorem taxes are budgeted in the year assessed. Ad valorem taxes attach as an enforceable lien on property as of January 1st of each year.

For 2024, taxes of 4.83 mills were levied on property with assessed valuations totaling \$12,108,815 and were dedicated to general governmental operations. Total taxes levied and collected were \$58,485 and \$57,821, respectively, during 2024.

NOTE 6 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2024, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 130,537	\$ -	\$ -	\$ 130,537
Capital assets being depreciated:				
Buildings and improvements	787,479	-	-	787,479
Infrastructure	1,055,611	-	-	1,055,611
Furniture and equipment	596,452	23,080	2,398	617,134
Vehicles	320,398	54,894	-	375,292
Tractors	346,944	20,750	10,690	357,004
Total capital assets being depreciated	<u>3,106,884</u>	<u>98,724</u>	<u>13,088</u>	<u>3,192,520</u>
Less accumulated depreciation for:				
Buildings and improvements	(376,264)	(19,334)	-	(395,598)
Infrastructure	(624,065)	(47,090)	-	(671,155)
Furniture and equipment	(538,416)	(20,575)	2,398	(556,593)
Vehicles	(245,882)	(20,884)	-	(266,766)
Tractors	(184,758)	(45,568)	10,690	(219,636)
Total accumulated depreciation	<u>(1,969,385)</u>	<u>(153,451)</u>	<u>13,088</u>	<u>(2,109,748)</u>
Total capital assets being depreciated, net	<u>1,137,499</u>	<u>(54,727)</u>	<u>26,176</u>	<u>1,082,772</u>
Total governmental capital assets, net	<u>\$ 1,268,036</u>	<u>\$ (54,727)</u>	<u>\$ 26,176</u>	<u>\$ 1,213,309</u>

Depreciation expense was charged to functions of the Town as follows:

Governmental activities:	Amount
Public safety	\$ 30,927
Culture and recreation	38,643
Highways and streets	79,517
General government	4,364
Total depreciation expense - governmental activities	<u>\$ 153,451</u>

NOTE 6 - CAPITAL ASSETS (CONTINUED)

A summary of changes in business-type activities capital assets for the year ended December 31, 2024, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 36,073	\$ -	\$ -	\$ 36,073
Construction in progress	388,761	121,504	(510,265)	-
Capital assets not being depreciated:	<u>424,834</u>	<u>121,504</u>	<u>(510,265)</u>	<u>36,073</u>
Capital assets being depreciated:				
Buildings and improvements	121,921	-	-	121,921
Natural gas system	266,676	41,500	-	308,176
Water system	2,005,247	548,140	-	2,553,387
Sewer system	5,073,592	-	-	5,073,592
Machinery and equipment	278,600	12,188	-	290,788
Furniture and equipment	17,199	-	-	17,199
Vehicles	77,311	-	-	77,311
Total capital assets being depreciated	<u>7,840,546</u>	<u>601,828</u>	<u>-</u>	<u>8,442,374</u>
Less accumulated depreciation for:				
Buildings and improvements	(73,980)	(3,193)	-	(77,173)
Natural gas system	(237,138)	(4,557)	-	(241,695)
Water system	(1,680,097)	(36,257)	-	(1,716,354)
Sewer system	(2,095,846)	(204,236)	-	(2,300,082)
Machinery and equipment	(180,826)	(17,469)	-	(198,295)
Furniture and equipment	(16,781)	(87)	-	(16,868)
Vehicles	(74,844)	(2,467)	-	(77,311)
Total accumulated depreciation	<u>(4,359,512)</u>	<u>(268,266)</u>	<u>-</u>	<u>(4,627,778)</u>
Total capital assets being depreciated, net	<u>3,481,034</u>	<u>333,562</u>	<u>-</u>	<u>3,814,596</u>
Total business-type capital assets, net	<u>\$ 3,905,868</u>	<u>\$ 455,066</u>	<u>\$ (510,265)</u>	<u>\$ 3,850,669</u>

Depreciation expense for business-type activities for 2024 was \$268,266.

(continued)

NOTE 7 - LONG-TERM LIABILITIES

Long-term debt obligations for the primary government at December 31, 2024, are comprised of the following:

Public Improvement Revenue Bonds – business type activities

\$3,696,000 Sewer revenue bonds dated November 1, 2012; due in annual installments of \$184,000 – \$211,000 through May 2033; interest at 0.45%.

\$ 1,836,151

Net pension liability – governmental activities

1,033,768

Total long-term debt for primary government

\$ 2,869,919

The summary of long-term debt transactions for the primary government for the year ended December 31, 2024, is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Amount due within one year
Public improvement revenue bonds	\$ 2,031,151	\$ -	\$ 195,000	\$ 1,836,151	\$ 197,000
Net pension liability	<u>1,210,344</u>	<u>-</u>	<u>176,576</u>	<u>1,033,768</u>	<u>-</u>
	<u>\$ 3,241,495</u>	<u>\$ -</u>	<u>\$ 371,576</u>	<u>\$ 2,869,919</u>	<u>\$ 197,000</u>

Debt Service Requirements to Maturity

The annual debt service requirements to amortize outstanding long-term debt of the primary government at December 31, 2024 are as follows:

Year	Sewer Revenue Bonds			
	Principal	Interest	DEQ Fees	Total
2025	\$ 197,000	\$ 7,819	\$ 8,687	\$ 213,506
2026	199,000	6,928	7,698	213,626
2027	200,000	6,031	6,701	212,732
2028	202,000	5,126	5,696	212,822
2029	204,000	4,213	4,681	212,894
2030-2033	<u>834,151</u>	<u>7,522</u>	<u>8,357</u>	<u>850,030</u>
Total	<u>\$ 1,836,151</u>	<u>\$ 37,639</u>	<u>\$ 41,820</u>	<u>\$ 1,915,610</u>

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

Bond Restrictions

Sewer Revenue Bond - Series 2012 - Debt Service Fund to be used for the payment of principal and interest on outstanding bonds as they are due and payable. Monthly payments are to be equal to the sum of one-sixth of interest and administrative fees falling due on the next interest payment date and one-twelfth of principal falling due on the next principal payment date. The sum of \$195,171 has been deposited for this requirement.

Sewer Revenue Bond - Series 2012 - Reserve Fund to be used for the payment of principal and interest on bonds payable from the Bond Sinking Fund, as to which there would otherwise be default. The sum of \$112,548 has been deposited therein for this requirement.

Sewer Revenue Bond - Series 2012 - Depreciation & Contingency Fund to be used for the payment of extensions, additions, improvements, renewals, and replacements necessary to properly operate the system. Monthly deposits are to be equal to the sum of 5% of the net revenues of the preceding month, provided the sum is available, until \$130,000 has accumulated in the fund. The fund has a balance of \$15,887 as of December 31, 2024 for this requirement.

NOTE 8 - PENSION PLAN

The Town is a participating employer a cost sharing defined benefit pension plans. This plan is administered by the Municipal Police Employee's Retirement System (MPERS). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of these plans to the State Legislature. Each system is administered by a separate board of trustees.

Municipal Police Employees Retirement System of Louisiana (MPERS)

Plan Description

The Municipal Police Employees' Retirement System (MPERS) is the administrator of a cost-sharing multiple-employer plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security, and meets the statutory criteria. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233.

NOTE 8 - PENSION PLAN (CONTINUED)

Plan Description (Continued)

The System issues an annual financial report that is available to the public which includes financial statements and required supplementary information for the System. This report may be obtained by writing, calling, or downloading the reports as follows:

MPERS: 7722 Office Park Boulevard | Baton Rouge, Louisiana 70809 | www.lampers.org

Funding Policy

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee (PRSAC).

Contributions to the plan are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended December 31, 2024, for the Town and covered employees were as follows:

	<u>Town</u>	<u>Employees</u>
Municipal Police Employees' Retirement System		
All employees hired prior to 01/01/2013 and all		
Hazardous Duty employees hired after 01/01/2013	33.93%	10.00%
Non-Hazardous Duty (hired after 01/01/2013)	33.93%	8.00%
Employees receiving compensation below poverty		
guidelines of US Department of Health	36.43%	7.50%

The Town made contributions of \$140,166 and \$129,377 during 2024 and 2023, respectively.

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

At December 31, 2024, the Town reported a net pension liability of \$1,033,768 for its proportionate share of the net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. Based on actuarial valuations as of June 30, 2024, the Town's proportion was 0.1141%, which was a decrease of 0.0046% from its proportion measured as of June 30, 2023 at 0.1146%.

NOTE 8 - PENSION PLAN (CONTINUED)

For the year ended December 31, 2024, the Town recognized pension expense of \$128,216 related to the plan, non-employer contributions were \$29,680.

At December 31, 2024, the Town 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 experience	\$ 55,971	\$ 31,272
Net difference between projected and actual earnings on pension plan investments	28,738	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	70,504	37,461
Employer contributions subsequent to the measurement date	71,315	-
	<u>\$ 226,528</u>	<u>\$ 68,733</u>

The Town reported \$71,315 as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

Year	MPERS
2024	\$ 55,861
2025	83,858
2026	(35,126)
2027	(18,113)
	<u>\$ 86,480</u>

Actuarial Assumptions

The actuarial assumptions used in the June 30, 2024 valuation were based on the assumptions used in the June 30, 2024 actuarial finding and valuation and were based on the results of an actuarial experience study for the period of July 1, 2014 through June 30, 2019.

NOTE 8 - PENSION PLAN (CONTINUED)

Actuarial Assumptions (continued)

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2023 are as follows:

Valuation Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal Cost
Investment Rate of Return	6.750%, net of investment expense
Expected Remaining Service Lives	4 years
Inflation Rate	2.50%

Salary increases, including inflation and merit:

<u>Years of Service</u>	<u>Salary Growth Rate</u>
1-2	12.30%
2+	4.70%

Mortality:

For annuities and beneficiaries, the Pub-2010 public retirement plan mortality table for safety below-median healthy retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP 2019 scale was used.

For disabled lives, the Pub-2010 public retirement plans mortality table for safety disabled retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.

For employees, the Pub-2010 public retirement plans mortality table for safety below-median employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.

Cost-of-Living Adjustments

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

(continued)

NOTE 8 - PENSION PLAN (CONTINUED)

Actuarial Assumptions (continued)

Cost-of-Living Adjustments (continued)

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

Best estimates of arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2024 are as follows:

Asset Class	Target Allocation	Long - Term Expected
	MPERS	MPERS
Equity	52.00%	3.14%
Fixed Income	34.00%	1.07%
Alternatives	14.00%	1.03%
Total	100.00%	5.24%
Inflation		2.62%
Expected Arithmetic Nominal Return		7.86%

Discount Rate

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PERSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MPERS was 6.750% for the year ended June 30, 2024.

(continued)

NOTE 8 - PENSION PLAN (CONTINUED)

Sensitivity to Changes in Discount Rate

The following presents the Town's proportionate share of the Net Pension Liability (NPL) using the discount rate of the MPERS as well as what the Town's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by MERS:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Discount Rates	5.750%	6.750%	7.750%
Shares of Net Pension Liability	\$ 1,535,638	\$ 1,033,768	\$ 614,805

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Risk Management

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Town carries commercial insurance. There were no major changes in insurance coverage from the prior year and settlements have not exceeded coverage in the current year or in the past three years.

Grants

The Town receives federal and state grants for specific purposes that are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. It is the opinion of the Town management that its compliance with the terms of grants will result in negligible, if any, disallowed costs.

Grant Advances – Unearned Revenue

In 2021 and 2022, Town received grant funds related to the American Rescue Plan Act (ARPA), which provides the Town resources for revenue replacement due to COVID-19, expenditures related to COVID-19, as well as investments in infrastructure. During 2024, of the ARPA grant funds received, the Town has elected to retrospectively claim \$225,898 of expenses incurred during the period of performance. As of December 31, 2024, the Town has no remaining grant advances.

NOTE 10 - DEFERRED COMPENSATION PLAN

The Town offers all employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457, permitting them to defer a portion of their salary until future years. The Plan is administered by Empower Retirement who is also the Plan's Trustee.

NOTE 10 - DEFERRED COMPENSATION PLAN (CONTINUED)

Participation in the Plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. In accordance with the amended provisions of the Internal Revenue Code, all amounts deferred under the Plan, including income attributable to those amounts, are solely the property and rights of the participants and their beneficiaries.

Empower held Plan assets of \$812,831 at December 31, 2024.

The Town has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Under this statement governments that have no responsibility for the Plan and are not formally considered the Plan's trustee are not required to report the Plan in its financial statements. Since the Town's Plan is held in a custodial account with a third party administrator, the assets and liabilities are not presented in the Town's financial statements.

NOTE 11 - ON BEHALF PAYMENTS

The full-time police officers of the police department receive supplemental pay from the State of Louisiana under the provisions of L.R.S. 33:2002. Each full-time police officer after one year of service and completion of the academy, received \$600 per month. These supplemental state funds are paid directly to the police officers and only began passing through the police department in July 2024, they are included in total salaries and as revenue. The total amount received by the qualified full-time police officers was \$36,020.

NOTE 12 - COMPENSATION OF GOVERNING BODY

During 2024, Council members received compensation as follows:

	<u>Amount</u>
Gregory M. Jarreau	\$ 6,025
Henry Watson	6,025
John T. Jarreau	6,025
Ron. V Leblanc	6,025
Billie Pourciau	<u>6,025</u>
	<u>\$ 30,125</u>

TOWN OF LIVONIA, LOUISIANA

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF LIVONIA, LOUISIANA
GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended December 31, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - positive (negative)</u>
REVENUES				
Taxes:				
Sales	\$ 535,000	\$ 515,000	\$ 518,767	\$ 3,767
Video poker	220,000	228,500	244,469	15,969
Franchise	102,500	97,000	99,639	2,639
Ad valorem	53,000	52,300	57,821	5,521
Beer	4,100	4,300	3,927	(373)
Fines	1,431,625	991,885	1,074,689	82,804
Licenses and permits	105,000	106,125	133,056	26,931
Intergovernmental	71,000	36,020	36,020	-
Charges for services	21,013	30,981	9,880	(21,101)
Investment income and other	140,318	165,137	159,837	(5,300)
Total revenues	<u>2,683,556</u>	<u>2,227,248</u>	<u>2,338,105</u>	<u>110,857</u>
EXPENDITURES				
Current function:				
General government	237,421	245,050	246,759	(1,709)
Public safety	1,186,333	1,022,116	1,022,672	(556)
Highways and streets	219,039	211,893	209,037	2,856
Health and welfare	750	550	529	21
Culture and recreation	42,150	45,736	42,866	2,870
Capital outlay	138,500	98,731	98,724	7
Total expenditures	<u>1,824,193</u>	<u>1,624,076</u>	<u>1,620,587</u>	<u>3,489</u>
Excess of revenues over expenditures	<u>859,363</u>	<u>603,172</u>	<u>717,518</u>	<u>114,346</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	4,278	4,278	-
Transfers out	<u>(120,000)</u>	<u>(225,000)</u>	<u>(225,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(120,000)</u>	<u>(220,722)</u>	<u>(220,722)</u>	<u>-</u>
Net change in fund balance	<u>\$ 739,363</u>	<u>\$ 382,450</u>	496,796	<u>\$ 114,346</u>
FUND BALANCE				
Beginning of year			<u>2,892,433</u>	
End of year			<u>\$ 3,389,229</u>	

TOWN OF LIVONIA, LOUISIANA

NOTE TO BUDGETARY INFORMATION

For the year ended December 31, 2024

NOTE 1 - BUDGET

Budget Policy and Budgetary Accounting

A proposed budget is prepared and submitted by the Mayor to the Town Council prior to the beginning of each fiscal year. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to the commencement of the budget year.

The annual operating budget, prepared on the modified accrual basis, covers the general fund and enterprise fund (accrual basis). At the end of the fiscal year, unexpended appropriations automatically lapse. Budget amendments are approved by the Town Council and are included in the financial statements.

In connection with budget preparation, a portion of the unassigned fund balance of an individual fund may be designated for expenditures of the subsequent year. Such designation represents the extent to which the fund balance is used to balance the subsequent year's operating budget of that fund, as reflected in the legally adopted budget.

Basis of Accounting

The Town's General Fund budget is prepared on the modified accrual basis of accounting, which is described in Note 1 to the Town's financial statements for the year ended December 31, 2024. The Town's basis of budgetary accounting follows generally accepted accounting principles.

TOWN OF LIVONIA, LOUISIANA
SCHEDULE OF PROPORTIONATE SHARE
OF NET PENSION LIABILITY
LAST TEN FISCAL YEARS (1)

	MPERS	
As of the plan year ended (2):	2024	2023
Employer's Proportion of the Net Pension Liability	0.1141%	0.1146%
Employer's Proportionate Share of the Net Pension Liability	\$ 1,033,768	\$ 1,210,344
Employer's Covered Payroll	\$ 405,769	\$ 391,220
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	254.77%	309.38%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.840%	71.303%
As of the plan year ended (2):	2022	2021
Employer's Proportion of the Net Pension Liability	0.1230%	0.0870%
Employer's Proportionate Share of the Net Pension Liability	\$ 1,257,616	\$ 463,875
Employer's Covered Payroll	\$ 379,818	\$ 288,252
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	331.11%	160.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.799%	84.088%
As of the plan year ended (2):	2020	2019
Employer's Proportion of the Net Pension Liability (Asset)	0.1309%	0.1284%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,210,071	\$ 1,166,441
Employer's Covered Payroll	\$ 379,315	\$ 427,643
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	319.01%	272.76%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.945%	71.008%
As of the plan year ended (2):	2018	2017
Employer's Proportion of the Net Pension Liability (Asset)	0.1297%	0.1101%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,096,221	\$ 961,272
Employer's Covered Payroll	\$ 382,320	\$ 328,704
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	286.73%	292.44%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.886%	70.081%
As of the plan year ended (2):	2016	2015
Employer's Proportion of the Net Pension Liability (Asset)	0.1038%	0.1049%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 972,964	\$ 821,468
Employer's Covered Payroll	\$ 283,050	\$ 280,420
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	343.74%	292.94%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.042%	70.730%

(1) The amounts presented have a measurement date of MPERS's prior June 30th fiscal year end.

MPERS = Municipal Police Employees' Retirement System

TOWN OF LIVONIA, LOUISIANA
SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS (1)

	MPERS	
	2024	2023
As of the fiscal year ended (2):		
Contractually Required Contribution	\$ 136,685	\$ 129,377
Contributions in Relation to Contractually Required Contribution	136,685	129,377
Contribution Deficiency (Excess)	\$ -	\$ -
Employer's Covered Payroll	\$ 415,315	\$ 397,344
Contributions as a % of Covered Payroll	32.91%	32.56%
	2022	2021
Contractually Required Contribution	\$ 115,305	\$ 105,872
Contributions in Relation to Contractually Required Contribution	115,305	105,872
Contribution Deficiency (Excess)	\$ -	\$ -
Employer's Covered Payroll	\$ 377,469	\$ 336,498
Contributions as a % of Covered Payroll	30.55%	31.46%
	2020	2019
Contractually Required Contribution	\$ 102,718	\$ 141,951
Contributions in Relation to Contractually Required Contribution	102,718	141,951
Contribution Deficiency (Excess)	\$ -	\$ -
Employer's Covered Payroll	\$ 310,295	\$ 438,450
Contributions as a % of Covered Payroll	33.10%	32.38%
	2018	2017
Contractually Required Contribution	\$ 122,492	\$ 113,616
Contributions in Relation to Contractually Required Contribution	122,492	113,616
Contribution Deficiency (Excess)	\$ -	\$ -
Employer's Covered Payroll	\$ 398,348	\$ 357,845
Contributions as a % of Covered Payroll	30.75%	31.75%
	2016	2015
Contractually Required Contribution	\$ 88,058	\$ 90,856
Contributions in Relation to Contractually Required Contribution	88,058	90,856
Contribution Deficiency (Excess)	\$ -	\$ -
Employer's Covered Payroll	\$ 279,550	\$ 288,433
Contributions as a % of Covered Payroll	31.50%	31.50%

(1) The amounts presented have a measurement date of the Town's fiscal year.

MPERS = Municipal Police Employees' Retirement System

TOWN OF LIVONIA, LOUISIANA

NOTES TO SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND SCHEDULE OF PENSION CONTRIBUTIONS

For the year ended December 31, 2024

NOTE 1 - NET PENSION LIABILITY

Changes of Benefit Terms

Municipal Police Employees' Retirement System

Measurement Date	Changes of Benefit Terms	
	Years	Change
6/30/2024	4	-
6/30/2023	4	-
6/30/2022	4	-
6/30/2021	4	-
6/30/2020	4	-
6/30/2019	4	-
6/30/2018	4	-
6/30/2017	4	-
6/30/2016	4	-
6/30/2015	4	-

Changes of Assumptions

Municipal Police Employees' Retirement System

Measurement Date	Discount Rate		Merit Raise	
	Rate	Change	Rate	Change
6/30/2024	6.750%	0.000%	2.200%	0.000%
6/30/2023	6.750%	0.000%	2.200%	-0.280%
6/30/2022	6.750%	0.000%	2.480%	0.280%
6/30/2021	6.750%	-0.200%	2.200%	0.000%
6/30/2020	6.950%	-0.175%	2.200%	-0.050%
6/30/2019	7.125%	-0.075%	2.250%	0.100%
6/30/2018	7.200%	-0.125%	2.150%	0.100%
6/30/2017	7.325%	-0.175%	2.050%	0.175%
6/30/2016	7.500%	0.000%	1.875%	0.000%
6/30/2015	7.500%		1.875%	

NOTE 1 - NET PENSION LIABILITY (CONTINUED)

Changes of Assumptions (continued)

Municipal Police Employees' Retirement System (continued)

Measurement Date	Investment Rate of Return		Salary Increases	
	Rate	Change	Rate	Change
6/30/2024	6.750%	0.000%	4.700%	0.000%
6/30/2023	6.750%	0.000%	4.700%	-0.280%
6/30/2022	6.750%	0.000%	4.980%	0.280%
6/30/2021	6.750%	-0.200%	4.700%	-0.050%
6/30/2020	6.950%	-0.175%	4.750%	-0.250%
6/30/2019	7.125%	-0.075%	5.000%	0.100%
6/30/2018	7.200%	-0.125%	4.900%	0.100%
6/30/2017	7.325%	-0.175%	4.800%	0.175%
6/30/2016	7.500%	0.000%	4.625%	-0.250%
6/30/2015	7.500%		4.875%	

Measurement Date	Inflation Rate	
	Rate	Change
6/30/2024	2.500%	0.000%
6/30/2023	2.500%	0.000%
6/30/2022	2.500%	0.000%
6/30/2021	2.500%	-0.050%
6/30/2020	2.550%	-0.200%
6/30/2019	2.750%	0.000%
6/30/2018	2.750%	0.000%
6/30/2017	2.750%	0.000%
6/30/2016	2.750%	-0.250%
6/30/2015	3.000%	

TOWN OF LIVONIA, LOUISIANA

OTHER SUPPLEMENTARY INFORMATION

TOWN OF LIVONIA, LOUISIANA

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

For the year ended December 31, 2024

Agency Head: Mayor Rhett Pouricau

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 12,025
Travel allowance	<u>1,000</u>
Total	<u><u>\$ 13,025</u></u>

TOWN OF LIVONIA, LOUISIANA
ACT 87 JUSTICE SYSTEM FUNDING SCHEDULE
COLLECTING/DISBURSING ENTITY

For the year ended December 31, 2024

	First Six Month Period Ending, June 30, 2024	Second Six Month Period Ending, December 31, 2024
BEGINNING BALANCE OF AMOUNTS COLLECTED	\$ -	\$ -
COLLECTIONS:		
Criminal Fines - Other	308,773	299,538
Court Costs	51,540	49,170
Other - Third-party radar system	250,464	124,958
TOTAL COLLECTIONS:	610,777	473,666
DISBURSEMENTS TO GOVERNMENTS AND NON-PROFITS:		
Capital District Law Enforcement, Traffic fines	3,361	3,228
CMIS, Traffic fines	1,715	1,646
Trauma Head & Spinal Cord Injury, Traffic fines	5,935	5,780
Louisiana Judicial College, Traffic fines	858	823
TOTAL DISBURSEMENTS	11,869	11,477
AMOUNTS RETAINED BY COLLECTING AGENCY:		
Third-party, Collections	104,800	50,560
AMOUNT "SELF-DISBURSED" TO COLLECTING AGENCY	494,108	411,629
TOTAL DISBURSEMENTS / RETAINAGE	610,777	473,666
TOTAL ENDING BALANCE OF AMOUNTS COLLECTED AND NOT DISBURSED	\$ -	\$ -

**INDEPENDENT AUDITORS' REPORT REQUIRED BY
*GOVERNMENTAL AUDITING STANDARDS***

For the year ended December 31, 2024



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 Mayor and
Members of the Town Council,
Town of Livonia, Louisiana

We have audited, 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, the financial statements of the governmental activities, the business-type activities, and each major fund of the **TOWN OF LIVONIA, LOUISIANA (TOWN)** as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated May 30, 2025.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

This report is intended solely for the information and use of the Town Council and management, the Louisiana Legislative Auditor, and federal and state agencies, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
May 30, 2025

TOWN OF LIVONIA, LOUISIANA

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

For the year ended December 31, 2024

1) Summary of Auditors' Results:

- A) The type of report issued on the financial statements: **Unmodified opinion.**
- B) Significant deficiencies in internal control were disclosed by the audit of financial statements: **None reported.**
- C) Material weaknesses identified? **None.**
- D) Noncompliance that is material to the financial statements: **None.**

- 2) Findings relating to the financial statements reported in accordance with *Government Auditing Standards*: **None.**
- 3) Findings relating to compliance reported in accordance with *Government Auditing Standards*: **None.**

TOWN OF LIVONIA, LOUISIANA

SCHEDULE OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

For the year ended December 31, 2024

2023-001 Segregation of Duties

This finding has been resolved.

Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures

TOWN ON LIVONIA, LOUISIANA

Livonia, Louisiana

For the year ended December 31, 2024

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Members of the Council
Of the Town of Livonia 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 year ended December 31, 2024. **TOWN OF LIVONIA, LOUISIANA's** (the Town) management is responsible for those C/C areas identified in the SAUPs.

The Town has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2024 through December 31, 2024. 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 schedule of exceptions are as follows:

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - i. Employees that are responsible for cash collections do not share cash drawers/registers.
 - ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

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

5) Non-Payroll Disbursements (excluding credit 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).
- B. For each location selected under #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, 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/making the purchase.
 - ii. At least two employees are involved in processing and approving payments to vendors.
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- i. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - ii. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.
- D. Using the entity's main operating account 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.

TOWN OF LIVONIA, LOUISIANA
Livonia, Louisiana

SCHEDULE OF EXCEPTIONS

For the year ended December 31, 2024

Exceptions:

No exceptions were found as a result of applying the procedures listed above.

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

We are required to be independent of the **TOWN OF LIVONIA, LOUISIANA** 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.

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
May 30, 2025