



CITY OF HARRAHAN, LOUISIANA

FINANCIAL STATEMENTS

DECEMBER 31, 2025



CITY OF HARRAHAN, LOUISIANA

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and City Council
City of Harahan, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Harahan, Louisiana (the "City") as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City'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 City as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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 City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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 City'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, the schedule of proportionate share of the net pension liability, the schedule of employer contributions to each retirement system, and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Schedule of Compensation Paid to City Council Members, the Schedule of Compensation, Benefits and Other Payments to Agency Head, and the Justice System Funding Schedule – Collecting / Disbursing Entity are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 Paid to City Council Members, the Schedule of Compensation, Benefits and Other Payments to Agency Head, and the Justice System Fundings Schedule – Collecting / Disbursing Entity are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2026, on our consideration of the City'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 City'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 City's internal control over financial reporting and compliance.

The logo for EisnerAmper LLP, featuring the company name in a stylized, handwritten-style script.

EISNERAMPER LLP
Baton Rouge, Louisiana
June 15, 2026



REQUIRED SUPPLEMENTARY INFORMATION (PART 1)

CITY OF HARRAHAN, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

As financial management of the City government, we offer this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2025. We encourage readers to consider the information presented here with the basic financial statements and accompanying notes to the financial statements which follow this narrative.

FINANCIAL HIGHLIGHTS

- Assets and deferred outflows of the City's government exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$18,469,222 (*net position*).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$8,421,056, an increase of \$504,468 from the December 31, 2024, balance of \$7,916,588.
- At December 31, 2025, fund balance for the General fund is \$2,867,498, which includes nonspendable fund balance of \$64,663, restricted fund balance of \$331, and an unassigned surplus fund balance of \$2,802,504. This represents a \$(79,834) decrease from the December 31, 2024 balance of \$2,947,332. The unassigned surplus fund balance in the general fund of \$2,802,504 represents an increase in unassigned fund balance of \$29,264 from the December 31, 2024 balance of \$2,773,240.
- Deferred inflows of resources – unavailable revenue in the general fund increased from \$2,261,945 to \$2,373,339, an increase of \$111,394 at December 31, 2025.
- Deferred inflows of resources – unavailable revenue in the proprietary fund (sewer fund) increased from \$406,889 to \$426,418, an increase of \$19,529 at December 31, 2025.
- The City entered into a lease agreement for the purchase of a customized fire truck. The total cost of the vehicle is \$1,400,433 and will be financed through a note payable agreement over 15 years at an interest rate of 5.97%. The City took delivery of the fire truck in February 2025 and therefore amounts related to the fire truck are included in the 2025 financial statements.
- As of December 31, 2025, the sewer fund had repaid back \$698,702 to the City's general fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

CITY OF HARRAHAN, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

Government-Wide Financial Statements (continued)

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety (police and fire), recreation, public works, sanitation, and interest on debt. The City has one business-type activities, the Sewer fund. The government-wide financial statements (Statement A and Statement B) can be found on pages 16-17 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary 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 on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Sales Tax Fund, Fire Sales Tax Fund, FEMA Fund, ARPA fund, and the Capital Projects Fund, which are considered to be major funds. The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements (Statement C and Statement E) can be found on pages 18 and 20 of this report.

Enterprise (Proprietary) funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City maintains one type of proprietary fund. The City uses the enterprise fund to account for its operations and maintenance of the sewer facilities. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements (Statement G, Statement H, and Statement I) can be found on pages 22-24 of this report.

CITY OF HARRAHAN, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

Notes to Basic 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 basic financial statements can be found on pages 25-53 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning general fund and sales tax budgetary comparisons, the net pension liability, and contributions to defined benefit pension plans. Required supplementary information can be found at Schedules 1 through 5 on pages 54-58. Additional supplementary information can be found at Schedules 6 through 8 on pages 59-61.

CITY OF HARAHAH, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$18,469,222 at December 31, 2025.

The following table reflects the condensed Statements of Net Position as of December 31, 2025 and 2024:

City of Harahan's Statement of Net Position						
December 31						
	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	\$ 11,209,192	\$ 10,367,196	\$ 1,113,572	\$ 800,893	\$ 12,322,764	\$ 11,168,089
Restricted assets	711,054	540,762	489,183	469,126	1,200,237	1,009,888
Capital assets, net	9,152,170	7,976,265	9,307,864	9,028,396	18,460,034	17,004,661
Internal balances	15,804	714,506	(15,804)	(714,506)	-	-
Total assets	<u>21,088,220</u>	<u>19,598,729</u>	<u>10,894,815</u>	<u>9,583,909</u>	<u>31,983,035</u>	<u>29,182,638</u>
Deferred outflows of resources:						
Deferred amounts - net pension liability	1,273,690	1,267,816	-	-	1,273,690	1,267,816
Total deferred outflows	<u>1,273,690</u>	<u>1,267,816</u>	<u>-</u>	<u>-</u>	<u>1,273,690</u>	<u>1,267,816</u>
Liabilities:						
Current liabilities	1,185,428	1,448,339	101,228	202,543	1,286,656	1,650,882
Long-term liabilities	7,448,327	7,226,021	2,390,771	2,613,617	9,839,098	9,839,638
Total liabilities	<u>8,633,755</u>	<u>8,674,360</u>	<u>2,491,999</u>	<u>2,816,160</u>	<u>11,125,754</u>	<u>11,490,520</u>
Deferred inflows of resources:						
Taxes levied for a future year	2,373,339	2,261,945	426,418	406,889	2,799,757	2,668,834
Deferred amounts - net pension liability	861,992	491,372	-	-	861,992	491,372
Total deferred inflows	<u>3,235,331</u>	<u>2,753,317</u>	<u>426,418</u>	<u>406,889</u>	<u>3,661,749</u>	<u>3,160,206</u>
Net Position:						
Net investment in capital assets	9,152,170	7,976,265	6,940,873	6,414,779	16,093,043	14,391,044
Restricted	3,458,006	2,407,346	489,183	469,126	3,947,189	2,876,472
Unrestricted	(2,117,352)	(944,743)	546,342	(523,045)	(1,571,010)	(1,467,788)
Net position (deficit)	<u>\$ 10,492,824</u>	<u>\$ 9,438,868</u>	<u>\$ 7,976,398</u>	<u>\$ 6,360,860</u>	<u>\$ 18,469,222</u>	<u>\$ 15,799,728</u>

CITY OF HARRAHAN, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

Government-Wide Financial Analysis (continued)

As of December 31, 2025, the largest portion of the City's net position is its \$16,093,043 net investment in capital assets (e.g. land, buildings, streets, machinery, vehicles, sewer system, and equipment); less any related debt used to acquire those assets that is still outstanding and adding back any unspent bond proceeds. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City's restricted net position of \$3,947,189 represents resources that are subject to external restrictions on how they may be used for debt service and for repairs and maintenance to the sewer fund. The remaining unrestricted net position is a deficit of \$(1,571,010).

In the governmental activities, as of December 31, 2025, the City's current and other assets increased by \$841,996, primarily as a result to the transfer of internal balances of the sewer fund. As of December 31, 2025, the City's restricted assets increased by \$170,292, primarily as a result of more Department of Justice deposits - amounts are recorded as current liabilities (unearned revenue). As of December 31, 2025, the City's capital assets, net, increased by \$1,175,905, primarily as a result of the purchase of a fire truck, police vehicles, and administrative equipment. As of December 31, 2025, the internal balances decreased by \$698,702 due to the payment of "due from" balances owed from the sewer fund. As of December 31, 2025, long-term liabilities increased by \$222,306, primarily as a result of the note payable from the fire truck exceeding the reduction of net pension liability.

In the business-type activities, as of December 31, 2025, the City's current and other assets increased by \$312,679, primarily as a result of increase activity from the State of Louisiana Office of Facility Planning and Control for the planning and construction of emergency improvements to the sewer collection system and an overhaul to the treatment system. As of December 31, 2025, the internal balances decreased by \$698,702 due to the payment of "due to" balances owed to the general fund. As of December 31, 2025, long-term liabilities decreased by \$222,846, primarily as a result of no new debt issued and payments to the Louisiana Department of Environmental Quality.

CITY OF HARAHAN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

Government-Wide Financial Analysis (continued)

The following table provides a summary of the changes in net position for the years ended December 31, 2025 and 2024:

City of Harahan's Changes in Net Position						
December 31						
	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenue:						
Charges for services	\$ 2,349,521	\$ 2,213,543	\$ 1,595,680	\$ 1,163,949	\$ 3,945,201	\$ 3,377,492
Operating grants and contributions	357,359	1,039,608	-	-	357,359	1,039,608
Capital grants and contributions	328,618	3,881,178	647,386	-	976,004	3,881,178
General revenue:						
Ad valorem (property) taxes	1,987,214	1,958,449	406,335	405,627	2,393,549	2,364,076
Sales and use taxes	5,356,985	5,145,792	-	-	5,356,985	5,145,792
Fines, forfeitures, and other	249,292	256,677	-	-	249,292	256,677
Gaming taxes	433,954	436,147	-	-	433,954	436,147
Interest income	340,034	433,326	45,841	37,170	385,875	470,496
Loss on disposal of assets	-	(1,300)	-	-	-	(1,300)
Miscellaneous	223,132	323,900	-	(12,166)	223,132	311,734
Insurance proceeds	19,187	156,697	-	-	19,187	156,697
Transfers	-	(884,246)	-	884,246	-	-
Total revenues	<u>11,645,296</u>	<u>14,959,771</u>	<u>2,695,242</u>	<u>2,478,826</u>	<u>14,340,538</u>	<u>17,438,597</u>
Expenses:						
General government - other	2,759,310	2,825,571	-	-	2,759,310	2,825,571
Public safety - police	2,817,847	2,984,635	-	-	2,817,847	2,984,635
Public safety - fire	2,386,106	2,217,476	-	-	2,386,106	2,217,476
Public works	642,926	662,503	-	-	642,926	662,503
Sewer	-	-	1,068,546	1,389,643	1,068,546	1,389,643
Sanitation	1,133,737	1,094,252	-	-	1,133,737	1,094,252
Recreation	672,506	594,162	-	-	672,506	594,162
Interest and fiscal charges	178,908	62,525	11,158	-	190,066	62,525
Total expenses	<u>10,591,340</u>	<u>10,441,124</u>	<u>1,079,704</u>	<u>1,389,643</u>	<u>11,671,044</u>	<u>11,830,767</u>
Increase (decrease) in net position	<u>1,053,956</u>	<u>4,518,647</u>	<u>1,615,538</u>	<u>1,089,183</u>	<u>2,669,494</u>	<u>5,607,830</u>
Net position, January 1	<u>9,438,868</u>	<u>4,920,221</u>	<u>6,360,860</u>	<u>5,271,677</u>	<u>15,799,728</u>	<u>10,191,898</u>
Net position, December 31	<u>\$ 10,492,824</u>	<u>\$ 9,438,868</u>	<u>\$ 7,976,398</u>	<u>\$ 6,360,860</u>	<u>\$ 18,469,222</u>	<u>\$ 15,799,728</u>

CITY OF HARRAHAN, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

Government-Wide Financial Analysis (continued)

Governmental activities increased the City's net position by \$1,053,956 during the year ended December 31, 2025. Key elements of the change in net position are as follows:

- Charges for services increased by \$135,978 due to an increase in garbage fees and increase in registration of new license fees.
- Operating grants and contributions decreased by \$682,249 due to less funding from the State of Louisiana and Jefferson Parish for capital expenditures.
- Capital grants and contributions decreased by \$3,552,560 due to no receipts of federal revenues related to ARPA funds.
- Sales and use tax increased by \$211,193 primarily due to more activity of taxes paid.
- Transfers-out decreased by \$884,246 due to no capital outlay expenditure for the sewer fund.
- General government – other expenses decreased by \$66,261 due to no FEMA related expenses or improvements to the properties damaged from Hurricane Ida in 2021.
- Police related expenses decreased by \$166,788, primarily due to employee turnover within the police department.
- Fire related expenses increased by \$168,630 primarily as a result of an increase in new hires.
- Recreation expenses increased by \$78,344 primarily as a result of repairs to playground facilities.
- Interest and fiscal charges increased by \$116,383 primarily as a result of the interest charges related to the financing of a new fire truck.

Business-type activities increased the City's net position by \$1,615,538 during the year ended December 31, 2025. Key elements of the change in net position are as follows:

- Charge for services increased by \$431,731 due to the full year increase of new 2025 sewer rates.
- Capital grants and contributions increased by \$647,386 due to an increase in funding from the State of Louisiana Office of Facility Planning and Control for the improvements in the City's sewer collection system and overhaul to the treatment system.
- Transfers-in decreased by \$884,246 primarily due to the absence of capital outlay expenditures from governmental activities. In the prior year, transfers included amounts related to FEMA reimbursements; no such transfers occurred in the current year.
- Sewer expenses decreased by \$321,097 primarily as a result of fewer repairs for lines and stations.

Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

CITY OF HARRAHAN, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

Governmental Funds (continued)

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$8,421,056, an increase of \$504,468 in comparison with the prior year ending fund balance of \$7,916,588. This total consists of general fund's fund balance in the amount of \$2,867,498; of which \$64,663 is nonspendable, \$331 is restricted, and \$2,802,504 is unassigned. The sales tax fund's fund balance is \$0. The fire sales tax fund's fund balance is \$3,357,675, of which all amounts are restricted. The ARPA fund's fund balance is \$0. The FEMA fund's fund balance has a deficit of \$925,917, of which all amounts are unassigned. The capital projects fund's fund balance is \$3,121,800, of which \$100,000 is restricted and \$3,021,800 is committed.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the general fund was a surplus of \$2,802,504. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund budget. The unassigned fund balance represents 25.61% of the general fund's final budgeted expenditures of \$10,942,303. During the year ended December 31, 2025, the general fund's fund balance decreased by \$79,834 primarily as a result of the use of prior year fund balance of the police milage to fund current year transfers.

The sales tax fund reported fund balance of \$0 at December 31, 2025. Sales tax receipts in the sales tax fund are transferred to the general fund for operations of the City. Sales tax revenue of \$3,278,458 increased \$123,438 in comparison to the prior year sales tax revenue of \$3,155,020.

The fire sales tax fund used to account for the sales tax approved by vote in March 2022. The fire sales tax fund reported fund balance of \$3,357,675 at December 31, 2025, due to sales tax receipts in excess of the collection fees and transfers to the general fund and the capital project fund.

The ARPA fund reported fund balance of \$0 at December 31, 2025. During the year ended December 31, 2025, the City recognized \$83,854 of interest income and transfers-out of \$83,854 to the general fund. There were no federal revenues or expenditures that were incurred during the year ended December 31, 2025.

The FEMA reported a fund balance deficit of \$925,917 at December 31, 2025. This deficit in fund balance should be covered by future receipts from FEMA under the Public Assistance Program. If amounts recovered from FEMA are insufficient to cover the deficit (as well as any future deficits as a result of disallowed costs), then amounts will need to be transferred from the general fund in order to cover the deficits or shortfalls.

The fund balance of the capital projects fund decreased from \$3,487,827 to \$3,121,800 during the year ended December 31, 2025. The decrease of \$366,027 during 2025 was due to capital expenditures throughout during the fiscal year not reimbursed by the State of Louisiana or Jefferson Parish.

Proprietary funds

The City's proprietary fund provides the same type of information found in the government-wide financial statements but in more detail. The unrestricted net position of the City's proprietary fund amounted to \$546,342, which is an increase in the unrestricted net position of \$1,069,387 as compared to the prior year unrestricted net position (deficit) of \$(523,045).

CITY OF HARRAHAN, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

General Fund Budgetary Highlights

The City approved the general fund budget during the year ended December 31, 2025. For the current fiscal year, the actual revenue was more than budgeted revenues by \$98,265 and the actual expenditures were more than budgeted expenditures by \$3,676.

Material differences between actual results and budgeted amounts are as follows:

- Intergovernmental revenues of \$357,359 were more in the amount of \$43,032 than budgeted intergovernmental revenues.
- Charge for services of \$1,247,973 were more in the amount of \$16,845 than budgeted charge for services.
- Gaming revenue of \$433,954 was more in the amount of \$17,628 than budgeted gaming revenue.
- General government – other expenditures of \$2,318,525 were more in the amount of \$103,792 than budgeted general government – other.
- Public safety – fire expenditures of \$1,936,682 were less in the amount of \$43,859 than budgeted public safety – fire expenditures.

CITY OF HARRAHAN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business type activities as of December 31, 2025 amounts to \$18,460,034 (net of accumulated depreciation). This investment in capital assets includes land, buildings, land improvements, transportation equipment, furniture and equipment, sewer system, and computer equipment.

City of Harahan, Louisiana
Capital Assets (Net of Depreciation)
December 31, 2025

	Governmental Activities	Business- type Activities	Total
Land, land improvement, and buildings	\$ 6,195,465	\$ 13,727	\$ 6,209,192
Infrastructure	1,946,934	-	1,946,934
Sewer treatment plant and system	-	14,573,441	14,573,441
Transportation equipment	4,714,730	-	4,714,730
Other equipment	2,249,680	-	2,249,680
Furniture and fixtures	175,866	-	175,866
Computer equipment	427,606	-	427,606
Construction in progress	146,205	71,102	217,307
	<u>15,856,486</u>	<u>14,658,270</u>	<u>30,514,756</u>
Less: Accumulated Depreciation	<u>(6,704,316)</u>	<u>(5,350,406)</u>	<u>(12,054,722)</u>
	<u>\$ 9,152,170</u>	<u>\$ 9,307,864</u>	<u>\$ 18,460,034</u>

Major capital asset events during the current fiscal year included the following:

- \$730,560 of sewer additions from construction in progress were completed and transferred to the sewerage treatment plant.
- Governmental additions totaled \$2,192,293, of which \$1,430,041 relates to the financing of a fire truck. The remaining balance represents additions for police cameras, police vehicles, street improvements, and administrative equipment.

Additional information on the City's capital assets can be found in Note 6 of this report.

CITY OF HARRAHAN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

Long-Term Debt

At the end of the current fiscal year, the City had total debt outstanding of \$2,833,653 relating to the hurricane recovery revenue bond and the note payable relating to the fire truck.

For the hurricane recovery revenue note, the debt represents bonds secured by specified revenue sources such as the general sales tax. The work for the \$4 million LDEQ loan for improvements to the sewer and water system was completed during the year 2022. The balance on the DEQ loan is \$1,500,000 as of December 31, 2025.

For the fire truck note, the debt represents \$1,400,433 due in annual installments of \$150,386, including interest through June 12, 2038, at 5.97%, collateralized by the fire truck

Additional information on long-term obligations can be found in Note 7 of this report.

Economic Factors and Next Year's Budget and Rates

The City generally receives approximately 40% of its revenues from sales tax levied by the City and 15% from ad valorem taxes; therefore, economic indicators are very important in forming the budget estimates for the City's funds. Revenue assumptions are reviewed by the City Council and the Mayor. The uncertainties of the national, state, and local economy require prudent budgeting by the City's elected officials. The City continues to apply for federal and state grants related to infrastructure, improvements, and business development in order to improve the quality of life for the people of the City.

Located in Harahan is the largest piece of undeveloped property on the east bank of Jefferson Parish. The approximately 88-acre site is the former home of the Colonial Golf and Country Club. The site is zoned for approximately 15 acres of commercial development and 73 acres of residential development. In 2018, the City re-subdivided the approximately 15-acre commercial parcel into 6 commercial parcels. In 2018, the City (under the previous administration) issued a building permit which allowed for the construction of The Blake, an estimated \$28 million approximate 115 thousand square foot assisted living center located on a portion of the site of the commercial parcel. The Blake opened in December 2020. In 2021, the City approved an eight (8) lot residential parcel. Said lots are currently on the market or under development. On June 29, 2021, the Council approved an Amended Development Agreement (ADA) executed by the Mayor and Developers. The City should realize an increased property tax impact for the 2026 tax year. This ADA clears the way for further development of the 88-acre property at a more expedited rate. Development of the entire 88-acre site of expected high end housing and commercial properties is expected to have a positive impact on City revenues as well as create a significant number of jobs.

The City purchased an additional fire truck in 2026 with no financing agreement, and has budgeted to make the full payment in 2026 in the amount of \$1,375,924 in the fire sales tax fund.

CITY OF HARAHAH, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

Economic Factors and Next Year's Budget and Rates (continued)

In February 2024, the City entered into an agreement with the State of Louisiana Office of Facility Planning and Control for total funding of \$4,705,000 with a 25% match from the City of \$1,568,333 for a total project cost of \$6,273,333. The project is funding the related planning and construction of emergency improvements to the sewer collection system and an overhaul to the treatment system. In May 2024, the City entered into a contract with a company for an amount not to exceed the standard rate of \$800,460 to provide engineering services throughout the project including design, bidding, construction, surveying, and resident inspection. During the year ended December 31, 2025, the City started improvements to the sewer collection system and overhaul to the treatment system. The project remains ongoing in 2026. The City will receive reimbursements and other appropriate funding from the State of Louisiana Office of Facility Planning and Control as capital improvements are incurred.

The City continues to work with federal and state agencies and FEMA for reimbursements for expenses incurred related to Hurricane Ida debris removal, emergency response, and damages to City facilities.

Requests for Information

This financial report is designed to provide a general overview of the finances of the City of Harahan, Louisiana, for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Mayor at 6437 Jefferson Highway, Harahan, Louisiana 70123.

BASIC FINANCIAL STATEMENTS
GOVERNMENT – WIDE FINANCIAL STATEMENTS

CITY OF HARRAHAN, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities	Business Type Activities	Total
<u>Assets:</u>			
Cash	\$ 7,274,014	\$ 544,750	\$ 7,818,764
Receivables	3,870,515	568,822	4,439,337
Prepaid expenses	64,663	-	64,663
Restricted cash	711,054	489,183	1,200,237
Capital assets			
Land	129,680	13,727	143,407
Construction in progress	146,205	71,104	217,309
Capital assets, net	8,876,285	9,223,033	18,099,318
Internal balances	15,804	(15,804)	-
	<u>\$ 21,088,220</u>	<u>\$ 10,894,815</u>	<u>\$ 31,983,035</u>
Total assets			
<u>Deferred outflows of resources:</u>			
Deferred amounts related to net pension liability	\$ 1,273,690	\$ -	\$ 1,273,690
	<u>\$ 1,273,690</u>	<u>\$ -</u>	<u>\$ 1,273,690</u>
Total deferred outflows of resources			
<u>Liabilities:</u>			
Accounts, salaries, and other payables	\$ 530,601	\$ 101,228	\$ 631,829
Interest payable	43,773	-	43,773
Unearned revenue	611,054	-	611,054
Long term liabilities			
Due within one year	470,767	228,500	699,267
Due after one year	3,577,263	2,162,271	5,739,534
Net pension liability	3,400,297	-	3,400,297
	<u>\$ 8,633,755</u>	<u>\$ 2,491,999</u>	<u>\$ 11,125,754</u>
Total liabilities			
<u>Deferred inflows of resources:</u>			
Taxes levied for a future year	\$ 2,373,339	\$ 426,418	\$ 2,799,757
Deferred amounts related to net pension liability	861,992	-	861,992
	<u>\$ 3,235,331</u>	<u>\$ 426,418</u>	<u>\$ 3,661,749</u>
Total deferred inflows of resources			
<u>Net Position:</u>			
Net investment in capital assets	\$ 9,152,170	\$ 6,940,873	\$ 16,093,043
Restricted	3,458,006	489,183	3,947,189
Unrestricted (deficit)	(2,117,352)	546,342	(1,571,010)
	<u>\$ 10,492,824</u>	<u>\$ 7,976,398</u>	<u>\$ 18,469,222</u>
Total net position			

See accompanying notes to financial statements.

CITY OF HARRAHAN, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government - other	\$ 2,759,310	\$ 1,101,548	\$ 357,359	\$ 328,618	\$ (971,785)	\$ -	\$ (971,785)
Public safety - police	2,817,847	-	-	-	(2,817,847)	-	(2,817,847)
Public safety - fire	2,386,106	64,031	-	-	(2,322,075)	-	(2,322,075)
Public works	642,926	-	-	-	(642,926)	-	(642,926)
Sanitation	1,133,737	1,183,942	-	-	50,205	-	50,205
Recreation	672,506	-	-	-	(672,506)	-	(672,506)
Interest and fiscal charges	178,908	-	-	-	(178,908)	-	(178,908)
Total governmental activities	<u>10,591,340</u>	<u>2,349,521</u>	<u>357,359</u>	<u>328,618</u>	<u>(7,555,842)</u>	<u>-</u>	<u>(7,555,842)</u>
Business-Type Activities:							
Sewer	1,068,546	1,595,680	-	647,386	-	1,174,520	1,174,520
Interest and fiscal charges	11,158	-	-	-	-	(11,158)	(11,158)
Total business-type activities	<u>1,079,704</u>	<u>1,595,680</u>	<u>-</u>	<u>647,386</u>	<u>-</u>	<u>1,163,362</u>	<u>1,163,362</u>
Total primary government	<u>\$ 11,671,044</u>	<u>\$ 3,945,201</u>	<u>\$ 357,359</u>	<u>\$ 976,004</u>	(7,555,842)	1,163,362	(6,392,480)
General revenues							
Taxes:							
Ad valorem (property) taxes					1,987,214	406,335	2,393,549
Sales and use taxes					5,356,985	-	5,356,985
Other funding sources, including grants:							
Fines, forfeitures, and other					249,292	-	249,292
Other state revenue not restricted to specific programs (gaming revenue)					433,954	-	433,954
Interest income					340,034	45,841	385,875
Insurance proceeds					19,187	-	19,187
Miscellaneous					223,132	-	223,132
Total general revenues and transfers					<u>8,609,798</u>	<u>452,176</u>	<u>9,061,974</u>
Changes in net position					1,053,956	1,615,538	2,669,494
Net position, beginning of year					<u>9,438,868</u>	<u>6,360,860</u>	<u>15,799,728</u>
Net position, end of year					<u>\$ 10,492,824</u>	<u>\$ 7,976,398</u>	<u>\$ 18,469,222</u>

See accompanying notes to financial statements.

BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS

CITY OF HARRAHAN, LOUISIANA
GOVERNMENTAL FUNDS - BALANCE SHEET
DECEMBER 31, 2025

		Special Revenue Funds					
	General	Sales Tax Fund	Fire Sales Tax Fund	ARPA Fund	FEMA Fund	Capital Projects Fund	Total
ASSETS							
Cash, unrestricted	\$ 1,379,891	\$ 125	\$ 3,205,748	\$ -	\$ -	\$ 2,688,250	\$ 7,274,014
Cash, restricted	611,054	-	-	-	-	100,000	711,054
Receivables	2,372,752	236,394	151,927	-	1,009,221	100,221	3,870,515
Due from other funds	1,967,124	-	-	-	-	255,760	2,222,884
Prepaid expenses	64,663	-	-	-	-	-	64,663
Total assets	<u>\$ 6,395,484</u>	<u>\$ 236,519</u>	<u>\$ 3,357,675</u>	<u>\$ -</u>	<u>\$ 1,009,221</u>	<u>\$ 3,144,231</u>	<u>\$ 14,143,130</u>
LIABILITIES							
Accounts payable	\$ 268,344	\$ -	\$ -	\$ -	\$ -	\$ 22,431	\$ 290,775
Accrued salaries	239,826	-	-	-	-	-	239,826
Due to other funds	35,423	236,519	-	-	1,935,138	-	2,207,080
Unearned revenue	611,054	-	-	-	-	-	611,054
Total liabilities	<u>1,154,647</u>	<u>236,519</u>	<u>-</u>	<u>-</u>	<u>1,935,138</u>	<u>22,431</u>	<u>3,348,735</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	2,373,339	-	-	-	-	-	2,373,339
Total deferred inflows of resources	<u>2,373,339</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,373,339</u>
FUND BALANCES (DEFICIT)							
Nonspendable	64,663	-	-	-	-	-	64,663
Restricted	331	-	3,357,675	-	-	100,000	3,458,006
Committed	-	-	-	-	-	3,021,800	3,021,800
Unassigned	2,802,504	-	-	-	(925,917)	-	1,876,587
Total fund balances (deficit)	<u>2,867,498</u>	<u>-</u>	<u>3,357,675</u>	<u>-</u>	<u>(925,917)</u>	<u>3,121,800</u>	<u>8,421,056</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 6,395,484</u>	<u>\$ 236,519</u>	<u>\$ 3,357,675</u>	<u>\$ -</u>	<u>\$ 1,009,221</u>	<u>\$ 3,144,231</u>	<u>\$ 14,143,130</u>

See accompanying notes to financial statements.

CITY OF HARRAHAN, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS - BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2025

Total fund balances – governmental funds \$ 8,421,056

The cost of capital assets (land, buildings, furniture, and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the City as a whole. The cost of those assets is allocated over their estimated useful lives (as depreciation expense) to the various programs and reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Capital assets	\$ 15,856,486	
Accumulated depreciation	<u>(6,704,316)</u>	9,152,170
Accrual basis recognition of interest expenditures	<u>(43,773)</u>	(43,773)
Net pension liability balances in accordance with GASB 68:		
Deferred outflow of resources - related to net pension liability	\$ 1,273,690	
Net pension liability	(3,400,297)	
Deferred inflow of resources - related to net pension liability	<u>(861,992)</u>	(2,988,599)

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All Liabilities – both current and long-term – are reported in the Statement of Net Position.

Balances at December 31, 2025 are:

Hurricane Recovery Revenue Note	(1,500,000)	
Note payable - fire truck	(1,333,653)	
Compensated absences	<u>(1,214,377)</u>	<u>(4,048,030)</u>
Net position – governmental activities		<u>\$ 10,492,824</u>

See accompanying notes to financial statements.

CITY OF HARRAHAN, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2025

	General	Special Revenue Funds				Capital Projects Fund	Total
		Sales Tax Fund	Fire Sales Tax Fund	ARPA Fund	FEMA Fund		
REVENUES							
Taxes							
Ad valorem	\$ 1,987,214	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,987,214
Sales and use	-	3,278,458	2,078,527	-	-	-	5,356,985
Intergovernmental	357,359	-	-	-	-	328,618	685,977
Franchise fees	430,378	-	-	-	-	-	430,378
Licenses and permits	671,170	-	-	-	-	-	671,170
Fines and forfeitures	249,292	-	-	-	-	-	249,292
Charges for services	1,247,973	-	-	-	-	-	1,247,973
Gaming revenue	433,954	-	-	-	-	-	433,954
Interest income	81,155	-	126,809	83,854	-	48,216	340,034
Insurance proceeds	-	-	-	-	-	19,187	19,187
Other	179,701	-	-	-	-	43,431	223,132
Total revenues	<u>5,638,196</u>	<u>3,278,458</u>	<u>2,205,336</u>	<u>83,854</u>	<u>-</u>	<u>439,452</u>	<u>11,645,296</u>
EXPENDITURES							
General government	2,318,525	168,495	-	-	-	54,129	2,541,149
Public safety - police	2,854,778	-	-	-	-	82,818	2,937,596
Public safety - fire	1,936,682	-	187,354	-	-	116,920	2,240,956
Public works	482,205	-	-	-	-	77,058	559,263
Sanitation	1,092,599	-	-	-	-	-	1,092,599
Recreation	404,434	-	-	-	-	116,648	521,082
Debt service							
Principal	316,780	-	-	-	-	-	316,780
Interest and fiscal charges	139,543	-	-	-	-	-	139,543
Capital outlay	1,400,433	-	-	-	-	791,860	2,192,293
Total expenditures	<u>10,945,979</u>	<u>168,495</u>	<u>187,354</u>	<u>-</u>	<u>-</u>	<u>1,239,433</u>	<u>12,541,261</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(5,307,783)</u>	<u>3,109,963</u>	<u>2,017,982</u>	<u>83,854</u>	<u>-</u>	<u>(799,981)</u>	<u>(895,965)</u>
OTHER FINANCING SOURCES (USES)							
Proceeds from finance lease	1,400,433	-	-	-	-	-	1,400,433
Transfers in	4,261,470	-	-	-	-	433,954	4,695,424
Transfers out	(433,954)	(3,109,963)	(1,067,653)	(83,854)	-	-	(4,695,424)
Total other financing sources (uses)	<u>5,227,949</u>	<u>(3,109,963)</u>	<u>(1,067,653)</u>	<u>(83,854)</u>	<u>-</u>	<u>433,954</u>	<u>1,400,433</u>
CHANGE IN FUND BALANCE	<u>(79,834)</u>	<u>-</u>	<u>950,329</u>	<u>-</u>	<u>-</u>	<u>(366,027)</u>	<u>504,468</u>
FUND BALANCE - BEGINNING OF YEAR	<u>2,947,332</u>	<u>-</u>	<u>2,407,346</u>	<u>-</u>	<u>(925,917)</u>	<u>3,487,827</u>	<u>7,916,588</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 2,867,498</u>	<u>\$ -</u>	<u>\$ 3,357,675</u>	<u>\$ -</u>	<u>\$ (925,917)</u>	<u>\$ 3,121,800</u>	<u>\$ 8,421,056</u>

See accompanying notes to financial statements.

CITY OF HARRAHAN, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Total changes in fund balances – governmental funds	\$	504,468
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense and loss of disposal in the project.

Capital outlays	\$ 2,192,293	
Depreciation and amortization expense	<u>(1,016,388)</u>	1,175,905

Change in accrual basis recognition of interest expenditures		
Current year adjustment for accrued interest		<u>(39,365)</u>

Change in net pension liability and deferred inflows and outflows in accordance with GASB 68		<u>374,678</u>
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In the Statement of Activities, certain operating expenses-compensated absences are measured by the amounts earned during the year. Loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of capital leases is an expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).

Compensated absences		121,923
Note payable - fire truck		(1,400,433)
Note payable principal - fire truck		66,780
Payment on Hurricane Loan		<u>250,000</u>

Change in net position of governmental activities	\$	<u><u>1,053,956</u></u>
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See accompanying notes to financial statements.

BASIC FINANCIAL STATEMENTS
PROPRIETARY FUND

CITY OF HARRAHAN, LOUISIANA
PROPRIETARY FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2025

ASSETS

CURRENT ASSETS

Cash	\$ 544,750
Accounts receivable	568,822
Total current assets	<u>1,113,572</u>

NON-CURRENT ASSETS

Cash, restricted	489,183
Capital assets not depreciated	84,831
Capital assets, net	9,223,033
Total non-current assets	<u>9,797,047</u>

Total assets	<u>\$ 10,910,619</u>
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LIABILITIES, DEFERRED INFLOWS, AND NET POSITION

CURRENT LIABILITIES

Accounts and other payables	101,228
Loan payable, current portion	227,000
Compensated absences payable, current portion	1,500
Due to other funds	15,804
Total current liabilities	<u>345,532</u>

NON-CURRENT LIABILITY

Loan payable	2,139,991
Compensated absences payable	22,280
Total non-current liabilities	<u>2,162,271</u>
Total liabilities	<u>2,507,803</u>

DEFERRED INFLOWS OF RESOURCES - TAXES LEVIED FOR A FUTURE YEAR

426,418

NET POSITION

Net investment in capital assets	6,940,873
Restricted	489,183
Unrestricted	546,342
Total net position	<u>7,976,398</u>

Total liabilities, deferred inflows of resources, and net position	<u>\$ 10,910,619</u>
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See accompanying notes to financial statements.

CITY OF HARRAHAN, LOUISIANA
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2025

OPERATING REVENUES

Charges for service	\$ 1,590,850
Sewer impact fees	4,830
Total operating revenues	<u>1,595,680</u>

OPERATING EXPENSES

Supplies, maintenance and repairs	413,471
Depreciation	352,350
Salaries and related benefits	199,903
Miscellaneous	102,822
Total operating expenses	<u>1,068,546</u>

Operating income	<u>527,134</u>
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NON-OPERATING REVENUES (EXPENSES)

Capital grant revenue	647,386
Property tax revenue	406,335
Interest income	45,841
Interest expense	(11,158)
Total non-operating revenues (expenses)	<u>1,088,404</u>

CHANGE IN NET POSITION

1,615,538

NET POSITION - BEGINNING OF YEAR6,360,860**NET POSITION - END OF YEAR**\$ 7,976,398

See accompanying notes to financial statements.

CITY OF HARRAHAN, LOUISIANA
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 1,681,270
Cash paid to suppliers for goods or services	(853,037)
Net cash provided by operating activities	<u>828,233</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Property taxes received	391,891
Change in due to other funds	(698,702)
Net cash used in financing activities	<u>(306,811)</u>

CASH FLOWS FROM CAPITAL ACTIVITIES

Proceeds from capital grant revenue	647,386
Purchase and construction of capital assets	(574,609)
Payments on note payable	(225,000)
Interest paid	(11,158)
Net cash used in capital activities	<u>(163,381)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	45,841
Net cash provided by investing activities	<u>45,841</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS

403,882

CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR

630,051

CASH AND CASH EQUIVALENTS: END OF YEAR\$ 1,033,933**RECONCILIATION TO AMOUNTS ON THE STATEMENT OF FINANCIAL POSITION:**

Cash	\$ 544,750
Cash, restricted	489,183
Total cash	<u>\$ 1,033,933</u>

NON-CASH CAPITAL ACTIVITIES

Construction in progress acquired through accounts payable	<u>\$ 57,209</u>
--	------------------

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

Operating income	\$ 527,134
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	352,350
Deferred inflows of resources - unavailable revenue	19,529
Changes in operating assets and liabilities:	
Accounts receivable	85,590
Accounts and other payables	(156,370)
Net cash provided by operating activities	<u>\$ 828,233</u>

See accompanying notes to financial statements.

CITY OF HARAHAH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

(1) Summary of Significant Accounting Policies

The City of Harahan, Louisiana (the City) was incorporated under the provisions of the State of Louisiana Lawrason Act in 1920 as a village with a population then of 500 people and an area of 2.1 square miles. The City was then classified as a city in 1953 with a population of over 10,000 people. The City's current population is approximately 9,400 people.

The City's financial statements include the accounts of all City operations. The City's operations include police and fire protection, waste collection, parks, recreation, public works, and general administrative services. In addition, the City owns and operates a local sewer system.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant policies:

Reporting Entity

In evaluating how to define the reporting entity, for financial statement purposes, the City has considered all potential component units. The decision to include a potential component unit was made by applying the criteria set forth in GAAP which defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Based upon the application of these criteria, there were no potential component units required to be included in this report.

The City's financial statements include operations of all activities over which the City exercises oversight responsibility. Oversight responsibility is demonstrated through financial interdependency, selection of governing authority, ability to significantly influence operations, and accountability for fiscal matters and, as such, the City is a reporting entity.

For financial reporting purposes, the City includes all funds and account groups that are controlled by or dependent on the Mayor and the City's Council.

Government-Wide and Fund Financial Statements

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

CITY OF HARRAHAN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

(1) Summary of Significant Accounting Policies (continued)

Government-Wide and Fund Financial Statements (continued)

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days of the end of the current fiscal period. Grant funds are considered to be earned when qualifying expenditures are made and all other grant requirements have been met and, accordingly, when such funds are received, they are recorded as deferred inflows until earned. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, investment earnings, and charges for services are susceptible to accrual. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if the accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The City reports the following major governmental funds:

General Fund - This fund is the general operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund.

CITY OF HARRAHAN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

(1) Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Sales Tax Fund - This fund is used to account for the sales tax proceeds of the City, which are transferred to the general fund. The sales tax fund is a special revenue fund and records the receipts of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Fire Sales Tax Fund - This fund is used to account for the sales tax proceeds for the City of Harahan sales tax to support the operations of the fire department.

ARPA Fund - This special revenue fund is used to account for the proceeds from the federal government for the American Rescue Plan Act (ARPA) and related expenses.

FEMA Fund - This special revenue fund is used to account for the repairs and replacement of facilities, equipment, and supplies damaged by disasters. The funding is reimbursement grants through FEMA from Hurricane Ida. For the year ended December 31, 2025, there were no federal revenues or expenditures related to FEMA.

Capital Projects Fund - These funds are used to account for financial resources to be used for the acquisition or construction of capital facilities (other than those financed by Proprietary Funds).

The City reports the following major enterprise fund:

Sewer Fund - This fund is used to account for the sewerage and water treatment operations of the City where: (a) it is financed and operated in a manner similar to a private business enterprise, and (b) the periodic determination of net income is appropriate.

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

Cash

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The City's policy is that deposits can only be made in financial institutions insured by the FDIC.

Restricted Cash

Certain funds of governmental activities and business-type activities as well as certain resources set aside for bond or loan repayment, are classified as restricted cash on the Statement of Net Position because their use is limited by applicable bond covenants. In addition, the General Fund reports restricted cash for unspent Department of Justice funds and the Capital Projects Fund reports restricted cash for unspent grant funds from the State of Louisiana.

CITY OF HARRAHAN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

(1) Summary of Significant Accounting Policies (continued)

Receivables

Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Receivables are stated at the amount the City expects to collect from outstanding balances. The City provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of each account. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables. As of December 31, 2025, the City considers all receivables collectible and no allowance for doubtful accounts has been recorded.

Prepaid Expenditures

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, streets, sidewalks, and similar items), are reported in the applicable governmental or business type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar assets, and capital assets received in a service concession arrangement are recorded at acquisition value.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

Building and improvements	10-39 years
Computer equipment	5 years
Furniture and fixtures	7-10 years
Other equipment	5-15 years
Transportation equipment	5-10 years
Infrastructure	25 years
Sewer collection system	20-75 years
Sewer treatment plant	10-50 years

Capital assets are reviewed to evaluate prominent events or changes in circumstances to determine whether impairment of capital assets has occurred. The City follows guidance in Governmental Accounting Standards Board (GASB) Statement No. 42, as applicable, to record the effects of capital asset impairments.

CITY OF HARRAHAN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

(1) Summary of Significant Accounting Policies (continued)

Deferred Inflows and Outflows of Resources

In addition to assets and liabilities, the statement of net position and governmental funds balance sheet will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. These separate financial statement elements, deferred outflows of resources and deferred inflows of resources, represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time.

The governmental funds report a deferred inflow of resources for unavailable revenue from property taxes that were prepaid for the subsequent year. These amounts are deferred and will be recognized as revenue in the subsequent year. The governmental activities have deferred outflows and inflows that relate to the net pension liability, which include the City's contributions subsequent to the measurement date, which is recognized as a reduction of the net pension liability in the subsequent year. They also include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between City contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan.

They also include the net difference between projected and actual earnings on pension plan investments, which is deferred and amortized over a five-year period.

Unearned Revenue

The governmental funds and governmental-wide report a liability for unearned revenue from proceeds from seized assets and from intergovernmental receipts that were received. These amounts are deferred and will be recognized as revenue when eligibility requirements are met, which generally means the proceeds are spent.

Compensated Absences

The compensated absences liability for the City includes two components, the employees annual leave and sick leave. The City's policy permits regular full-time employees to accumulate an amount of earned but unused annual leave and sick leave benefits. Annual leave and sick leave benefits are accrued in the period they are earned. For employees with 1 year of continuous service, 1 week of annual leave is earned per year from the employee's anniversary date. For employees with between 2 and 5 years of continuous service, 2 weeks of annual leave is earned per year. For employees with 6-9 years of employment, 3 weeks of annual leave is earned per year. For employees with 10-13 years of employment, 4 weeks of annual leave is earned per year. For employees with 14 or more years of continuous service, 6 weeks of annual leave is earned per year. All regular full-time City employees earn 2 weeks (10 days) of sick leave time on an annual basis.

All earned annual leave for civil service employees such as the police officers and firemen may be carried forward with no limitation or maximum. Non-civil service City employees earned annual leave may be carried forward, not to exceed 120 working days of earned annual leave. Upon separation of employment, the City's employees are paid in full for all earned but unused annual leave (subject to limitation for non-civil service employees). Sick leave for all City employees may be carried forward with no limitation or maximum. Upon separation of employment, the City's employees are paid earned but unused sick leave at a rate of one day for every three days accrued.

CITY OF HARRAHAN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

(1) Summary of Significant Accounting Policies (continued)

Compensated Absences (continued)

GASB Statement No. 101, "*Compensated Absences*," requires governments to accrue a liability for compensated absences leave that has not been used if all of the following are true (1) the leave attributable to services already rendered; (2) the leave accumulates; and (3) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through non-cash means.

The City has recorded the following liabilities, including the salary-related benefits associated with the payment of compensated absences as of December 31, 2025:

- Sick leave that is expected to be used based on years of service and five-year average of hours not forfeited multiplied by current year pay rates
- Vacation leave based on maximum vested amount multiplied by current year pay rates

In the Government Wide Financial Statements and the proprietary fund type statements, the total compensated absences liability is recorded as an expense and a long-term obligation and allocated on a functional basis.

A current liability is recorded for the value of the average prior accumulated leave taken in a year in the enterprise fund statements. No liability is recorded in the governmental fund financial statements.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, if material to basic financial statements, are deferred and amortized over the life of the bonds using the straight-line method.

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

Fund Balances

In the fund financial statements, governmental fund balance is reported in five classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which those funds can be spent.

The five classifications of fund balance for the governmental funds are as follows:

Nonspendable - resources which cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

CITY OF HARRAHAN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

(1) Summary of Significant Accounting Policies (continued)

Fund Balances (continued)

Restricted - resources with constraints placed on the use of resources which are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.

Committed - resources which are subject to limitations the government imposes on itself at its highest level of decision-making authority, the City Council, by formal action or passage of a resolution.

Assigned - resources that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned - resources which have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a negative unassigned fund balance amount.

When both restricted and unrestricted resources are available for use, it is the City's intent to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use, it is the City's intent to use committed or assigned resources first, and then unassigned resources as they are needed.

Net Position

Net position is classified in the following components:

Net investment in capital assets - consists of capital assets, including any restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted net position - consists of constraints placed on net position through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation consists of external restrictions imposed by grantors or laws and regulations.

Unrestricted net position - consists of all other net position that does not meet the definition of restricted or net investment in capital assets.

CITY OF HARRAHAN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

(1) Summary of Significant Accounting Policies (continued)

Net Position (continued)

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the City's policy is to apply restricted net position first.

Use of Estimates

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

Future Accounting Pronouncements

GASB Statement No. 103, "*Financial Reporting Model Improvements*," establishes new accounting and financial reporting requirements – or modifies existing requirements – related to the following: (a) Management's discussion and analysis (MD&A), (b) Unusual or infrequent items, (c) Presentation of the Proprietary fund statement of revenues, expenses, and changes in fund net position, (d) Information about major component units in basic financial statements, (e) Budgetary comparison information and (f) Financial trends information in the statistical section. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The City has not yet determined the effect this Statement will have on the City's financial statements and disclosures.

GASB Statement 104, "*Disclosure of Certain Capital Assets*," requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by GASB Statement 34, including leases and subscription-based information technology arrangements. This Statement also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The City has not yet determined the effect this Statement will have on the City's financial statements and disclosures.

GASB Statement No. 105, "*Subsequent Events*," establishes new accounting and financial reporting requirements for subsequent events and supersedes prior GASB Statement No. 56 guidance on subsequent events. It defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued; requires disclosure of the date through which subsequent events have been evaluated; clarifies recognized and nonrecognized subsequent events; and establishes specific note disclosure requirements for nonrecognized events. The requirements are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter, with earlier application encouraged. The City has not yet determined the effect this Statement will have on the City's financial statements and disclosures.

CITY OF HARRAHAN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

(2) Budgetary Procedures and Budgetary Accounting

The City's procedures in establishing the budgetary data included in the City's financial statements are as follows:

- (1) Prior to December 1, the Mayor submits to the City's Council a proposed operating line item budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted in the City to obtain taxpayer comments.
- (3) Prior to January 1, the budget is legally adopted through passage of an appropriation ordinance by the Council.
- (4) The City Council must approve revisions that alter the total revenues or expenditures of any fund or department.
- (5) Formal budgetary integration is employed as a management control device during the year for the general and special revenue funds. Formal budgetary integration is not employed for debt service funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions. Project-length financial plans are adopted for the capital project funds and are used as an expenditure control device.
- (6) The budgets for the general and special revenue funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). All unencumbered and unexpended appropriations lapse at year end.
- (7) As required by state law, when actual revenues within a fund are failing to meet estimated annual budgeted revenue by five percent or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment to reflect such changes is adopted in an open meeting.

The City adopted the initial 2025 budget for the general fund, the sales tax fund, the fire sales tax fund, the ARPA fund, the capital projects fund, and the sewer fund in the month of December 2024. The 2025 budgets were amended before December 31, 2025.

(3) Cash

At December 31, 2025, the City has cash (book balances) totaling \$9,019,001 in demand deposits. The bank balances and collateralization for deposit at December 31, 2025 are as follows:

Total bank balances	<u>\$ 9,120,499</u>
Federal depository insurance	\$ 250,000
Pledged securities	<u>9,100,175</u>
Total collateral	<u>\$ 9,350,175</u>
Collateral - Surplus	<u>\$ 229,676</u>

Louisiana Revised Statutes authorize the City to invest in United States bonds, treasury notes, certificates or other obligations of the United States of America, or time certificates of deposit of state banks organized under Louisiana laws and national banks having principal offices in the State. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it under state law. As indicated above, the City is not exposed to collateral credit risk at December 31, 2025 because of the collateral surplus.

CITY OF HARRAHAN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

(3) Cash (continued)

Of the total cash shown above, \$7,274,014 is unrestricted for governmental activities, which includes \$2,688,250 committed by nature of the fund for capital improvements. Restricted cash for governmental activities consists of \$611,054 related to asset forfeiture funds and \$100,000 related to capital project funds. Restricted cash of \$489,183 for business type activities is restricted under the terms of the DEQ loan agreement. At December 31, 2025, the business type activities (sewer fund) reports unrestricted cash of \$544,750.

(4) Property Taxes

The City levies an ad valorem tax on real property as of January 1. The tax is due and becomes an enforceable lien on the property on the first day of the month following the filing of the tax rolls by the assessor with the Louisiana Tax Commission (usually December 1). The tax is delinquent 30 days after its due date (January 1 of the subsequent year). Taxes are levied based on property values determined by the Jefferson Parish Assessor's office. The assessed value at January 1, 2024, upon which the 2025 levies were based, was \$111,215,546.

Ad valorem taxes are recorded as revenue of the period for which levied, thus the 2024 property tax, which was levied to finance the budget for 2025, was recorded as ad valorem tax revenue for the year ended December 31, 2025. The 2025 property tax which was levied to finance the 2026 year, is included as deferred inflows of resources – unavailable revenue at December 31, 2025 and will be recognized as property tax revenue during the year ended December 31, 2026.

The number of mills levied for the City is as follows:

	<u>2025 budget</u>	<u>2026 budget</u>	<u>Expiration</u>
General operations - 1977	1.550	1.610	n/a
General operations - 1982	2.250	2.340	n/a
General operations	3.940	4.100	n/a
Fire protection (general fund)	4.800	5.000	2035
Police salary and benefits (general fund)	4.800	5.000	2028
Sewer maintenance	0.850	0.880	n/a
Sewer construction and maintenance	2.880	3.000	2027

CITY OF HARRAHAN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

(5) Receivables

Receivables at December 31, 2025 consisted of the following:

Property tax	\$ 2,138,538
Sales and use tax	236,394
Fire sales tax	151,927
Franchise fee	100,954
Video poker	35,423
Sanitation services	77,166
FEMA	1,009,221
Due from State of Louisiana	100,221
Other	20,671
Total governmental receivables	3,870,515
Sewer services - propriety fund	136,978
Property tax - propriety fund	392,821
Capital grant - propriety fund	39,023
Total propriety fund receivables	568,822
Total government wide receivables	<u>\$ 4,439,337</u>

(6) Property, Plant, and Equipment

A summary of changes in governmental fund type property, plant, and equipment is as follows:

	January 1, 2025	Additions	Deletions	Transfers	December 31, 2025
Non-depreciable assets:					
Land	\$ 129,680	\$ -	\$ -	\$ -	\$ 129,680
Construction in progress	27,658	154,756	-	(36,209)	146,205
Total non-depreciable assets	157,338	154,756	-	(36,209)	275,885
Depreciable assets:					
Land improvements and buildings	6,034,803	30,982	-	-	6,065,785
Infrastructure	1,670,998	239,727	-	36,209	1,946,934
Transportation equipment	3,284,689	1,430,041	-	-	4,714,730
Other equipment	2,008,201	241,479	-	-	2,249,680
Furniture and fixtures	80,558	95,308	-	-	175,866
Computer equipment	427,606	-	-	-	427,606
Total depreciable assets	13,506,855	2,037,537	-	36,209	15,580,601
Total asset cost	13,664,193	2,192,293	-	-	15,856,486
Accumulated depreciation					
Land improvements and buildings	(1,806,003)	(244,021)	-	-	(2,050,024)
Infrastructure	(728,915)	(72,642)	-	-	(801,557)
Transportation equipment	(1,631,936)	(448,075)	-	-	(2,080,011)
Other equipment	(1,092,031)	(217,452)	-	-	(1,309,483)
Furniture and fixtures	(45,320)	(16,292)	-	-	(61,612)
Computer equipment	(383,723)	(17,906)	-	-	(401,629)
Total accumulated depreciation	(5,687,928)	(1,016,388)	-	-	(6,704,316)
Capital assets, net	<u>\$ 7,976,265</u>	<u>\$ 1,175,905</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,152,170</u>

CITY OF HARRAHAN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

(6) Property, Plant, and Equipment (continued)

During the year ended December 31, 2025, the City recorded no disposals.

Depreciation expense was charged to the functions of the governmental activities as follows:

General government - other	\$ 189,531
Public safety - police	263,110
Public safety - fire	287,522
Public works	83,663
Sanitation	41,138
Recreation	151,424
	<u>\$ 1,016,388</u>

A summary of changes in proprietary fund type property, plant, and equipment is as follows:

	January 1, 2025	Additions	Deletions	Transfers	December 31, 2025
Non-depreciable assets:					
Land	\$ 7,121	\$ -	\$ -	\$ -	\$ 7,121
Right of way	6,606	-	-	-	6,606
Construction in progress	169,846	631,818	-	(730,560)	71,104
Total non-depreciable assets	<u>183,573</u>	<u>631,818</u>	<u>-</u>	<u>(730,560)</u>	<u>84,831</u>
Depreciable assets:					
Sewerage collection system	6,369,369	-	-	-	6,369,369
Sewerage treatment plant	4,600,424	-	-	730,560	5,330,984
Sewer infrastructure	2,873,086	-	-	-	2,873,086
Total depreciable assets	<u>13,842,879</u>	<u>-</u>	<u>-</u>	<u>730,560</u>	<u>14,573,439</u>
Total asset cost	<u>14,026,452</u>	<u>631,818</u>	<u>-</u>	<u>-</u>	<u>14,658,270</u>
Accumulated depreciation					
Sewerage collection system	(2,818,089)	(245,641)	-	-	(3,063,730)
Sewerage treatment plant	(1,831,134)	(49,247)	-	-	(1,880,381)
Sewer infrastructure	(348,833)	(57,462)	-	-	(406,295)
Total accumulated depreciation	<u>(4,998,056)</u>	<u>(352,350)</u>	<u>-</u>	<u>-</u>	<u>(5,350,406)</u>
Capital assets, net	<u>\$ 9,028,396</u>	<u>\$ 279,468</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,307,864</u>

CITY OF HARRAHAN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

(7) Long-term Obligations

Governmental Activities

Bonds Payable

Bonds payable at December 31, 2025, consist of the following:

\$2,000,000 2021 Series Hurricane Recovery Revenue Note due in annual installments of \$250,000 including interest through December 1, 2031, at 3.17%, collateralized by all fund or revenues received that are not otherwise restricted.

\$ 1,500,000

The annual debt service to maturity on bonds outstanding as of December 31, 2025 is as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 250,000	\$ 47,550	\$ 297,550
2027	250,000	39,625	289,625
2028	250,000	31,700	281,700
2029	250,000	23,775	273,775
2030	250,000	15,850	265,850
2031	250,000	7,925	257,925
Total Bonds	<u>\$ 1,500,000</u>	<u>\$ 166,425</u>	<u>\$ 1,666,425</u>

For the year ended December 31, 2025, interest expense of the general fund relating to the bonds payable was \$55,937.

The City is subject to the Municipal Finance Law of the State of Louisiana, which limits the amount of net bonded debt (exclusive of revenue and special assessment bonds) the City may have outstanding up to 10 percent of the assessed valuation. The statutory debt limit and the amount available for general obligation borrowing as of December 31, 2025 is \$11,382,826.

The bond payable has terms specified in the respective agreement in which an event of default would declare the principal of the bond then outstanding to be due and payable.

CITY OF HARRAHAN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

(7) Long-term Obligations (continued)

Note payable

Note payable at December 31, 2025, consist of the following:

\$1,400,433 of a fire truck note due in annual installments of \$150,386, including interest through June 12, 2038, at 5.97%, collateralized by the fire truck.	<u>\$ 1,333,653</u>
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The annual debt service to maturity on the note payable outstanding as of December 31, 2025 is as follows:

For the year ended December 31, 2025, interest expense of the general fund relating to the note payable was \$83,606.

In 2023, the City entered into a lease agreement for the purchase of a customized fire truck. The total cost of the vehicle is \$1,400,433 and will be financed through a note payable agreement over 15 years at an interest rate of 5.97%. In June 2024, the City made the first interest payment in the amount of \$83,606. The City took delivery of the fire truck in February 2025 and therefore amounts related to the fire truck are included in the 2025 financial statements.

Business-Type Activities

Louisiana Department of Environmental Quality Loan

The City entered into an agreement with the Louisiana Department of Environmental Quality (LDEQ) whereby the LDEQ committed to loan the City \$4,000,000 for improvements to the City's wastewater system. The loan was advanced in incremental amounts as project costs are incurred. The indebtedness to the LDEQ is evidenced through the Taxable Sewer Revenue Bonds, Series 2014. No drawdowns were made on the loan during the year ended December 31, 2025.

CITY OF HARRAHAN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

(8) Interfund Balances and Transfers

Interfund balances as of December 31, 2025 were as follows:

	<u>Due from other funds</u>	<u>Due to other funds</u>
Governmental Funds		
General fund	\$ 1,967,124	\$ 35,423
FEMA fund	-	1,935,138
Sales tax fund	-	236,519
Capital projects fund	255,760	-
	<u>2,222,884</u>	<u>2,207,080</u>
Proprietary Funds		
Sewer fund	-	15,804
	<u>-</u>	<u>15,804</u>
Total	<u><u>\$ 2,222,884</u></u>	<u><u>\$ 2,222,884</u></u>

Interfund transfers for the year ended December 31, 2025 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds		
General fund	\$ 4,261,470	\$ 433,954
Sales tax fund	-	3,109,963
Fire sales tax fund	-	1,067,653
ARPA fund	-	83,854
Capital projects fund	433,954	-
Total	<u><u>\$ 4,695,424</u></u>	<u><u>\$ 4,695,424</u></u>

The City makes routine interfund transfers to allocate financial resources to the funds that receive benefit from services provided by another fund, or to establish or close out funds, or to allocate funds for budgeted expenditures. During the year ended December 31, 2025, the general fund transferred \$433,954 to the capital projects fund to provide annual support and the sales tax fund transferred \$3,109,963 to the general fund for operating purposes. During the year ended December 31, 2025, the fire sales tax fund transferred \$1,067,653 to the general fund to support fire department operations. The ARPA fund transferred \$83,854 of remaining unrestricted interest earnings to the General Fund for operating purposes.

CITY OF HARAHAH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

(9) Pension Plans

The City of Harahan is a participating employer in two State-wide cost-sharing multiple employer defined benefit pension plans that include the Municipal Police Employees' Retirement System (MPERS) and the Firefighters' Retirement System (FRS). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of the State-wide plans to the State Legislature. Each system is administered by a separate board of trustees.

General Information about the Pension Plans

Plan Description - MPERS

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 providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers. 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.

Plan Description - FRS

The Firefighters' Retirement System (FRS) is the administrator of a cost-sharing multiple-employer plan. Membership in the System is a condition of employment for any full-time firefighters who earn more than \$375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana in addition to employees of the Firefighters' Retirement System. The System provides retirement benefits for their members. 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.

Benefits Provided - MPERS

Membership Prior to January 1, 2013: A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit.

Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children.

CITY OF HARRAHAN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

(9) Pension Plans (continued)

General Information about the Pension Plans (continued)

Benefits Provided – MPERS (continued)

Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent of the member's average final compensation or \$200 per month, whichever is greater.

Membership Commencing January 1, 2013: Member eligibility for regular retirement, early retirement, disability, and survivor benefits are based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children.

Under certain conditions outlined in the statutes, the benefits range from twenty-five to fifty-five percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives ten percent of average final compensation or \$200 per month whichever is greater. If deceased member had less than ten years of service, beneficiary will receive a refund of employee contributions only.

Benefits Provided – FRS

Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251- 11:2272. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Any person who becomes an employee as defined in RS 11:2252 on and after January 1, 1980, shall become a member as a condition of employment. No person who has attained age fifty or over shall become a member of the System, unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of fifty. No person who has not attained the age of eighteen years shall become a member of the System.

CITY OF HARRAHAN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

(9) Pension Plans (continued)

General Information about the Pension Plans (continued)

Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits therefrom may become a member of this System, provided the person meets all other requirements for membership.

Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with this System, or for any other purpose in order to attain eligibility or increase the amount of service credit in this System.

Deferred Retirement Option Plan benefits (DROP) Benefits - MPERS

Deferred Retirement Option Plan: A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is thirty-six months or less. If employment is terminated after the three-year period, the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account. If the member elects a money market investment return, the funds are transferred to a government money market account.

After completing 20 years of creditable service and age 50 or 25 years at any age, a member may elect to participate in the deferred retirement option plan for up to 36 months. Upon commencement of participation in the deferred retirement option plan, employer, and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account. Upon termination of employment, a participant in the program shall receive, at his option, a lump-sum payment from the account of an annuity based on the deferred retirement option plan account balance in addition to his regular monthly benefit. If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No payments may be made from the deferred retirement option plan account until the participant retires.

CITY OF HARRAHAN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

(9) Pension Plans (continued)

General Information about the Pension Plans (continued)

Initial Benefit Option Plan - MPERS

In 1999, the State Legislature authorized the System to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on same criteria as DROP.

Initial Benefit Option Plan - FRS

Effective June 16, 1999, members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, an Initial Benefit Option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as the DROP account.

Contributions - MPERS

Contributions for all members are actuarially determined as required by state statutes but cannot be less than 9.0% of the employee's earnable compensation excluding overtime but including state supplemental pay. For the years ended June 30, 2025 and 2024, the actuarially determined contribution rates were 35.60% and 33.93% respectively, of member's compensation. However, for the years ended June 30, 2025 and 2024, the total actual employer and employee contribution rate was 34.58% and 34.86% respectively. For employees hired prior to January 1, 2013 and for Hazardous Duty members hired after January 1, 2013, the rates were 35.60% and 33.93% respectively for the employer and 10.00% for the employee. For all Non-Hazardous Duty members hired subsequent to January 1, 2013, the rates were 35.60% and 33.93%, respectively for the employer and 8.0% for the employee.

The employer and employee contribution rates for all members whose earnable compensation is less than or equal to the poverty guidelines issued by the United States Department of Health and Human Services were 38.10% and 36.43%, respectively, for employers and 7.50% for the employee.

In accordance with state statutes, the system also receives insurance premium taxes as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. The additional sources are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations. Non-employer contributions are recognized as revenue by the system and are excluded from pension expense for the year. Contributions to the pension plan from the City were \$462,959, \$357,100, and \$339,751 for the years ended December 31, 2025, 2024, and 2023, respectively.

CITY OF HARRAHAN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

(9) Pension Plans (continued)

General Information about the Pension Plans (continued)

Contributions - FRS

Contributions for all members are established by statute at 10.0% for wages above poverty and 8.0% for wages below poverty for the years ending/ended June 30, 2025 and 2024. The contributions are deducted from the member's salary and remitted by the City.

According to state statute, employer contributions are actuarially determined each year. For the years ended June 30, 2025 and 2024, the actuarially determined contribution rates were 33.25% and 33.25%, respectively, of member's compensation. For the year ended July 1, 2025, through December 31, 2025, the actuarially determined contribution rate was 33.48% of member's compensation. However, for the years ended June 30, 2025 and 2024, employer contributions were 33.25% and 33.25%, respectively, of covered payroll above poverty and 35.25% and 35.25%, respectively, of covered payroll below poverty. The actual rates differ from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective. Contributions to the pension plan from the City were \$244,758, \$243,415, and \$250,647 for the years ended December 31, 2025, 2024, and 2023, respectively.

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study.

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

At December 31, 2025, the City reported a combined liability of \$3,400,297 for its proportionate share of the Net Pension liabilities (NPL). The NPL for FRS and MPERS was measured as of June 30, 2025, and the total pension liability used to calculate the NPL was determined based on an actuarial valuation as of those dates. The City's proportion of the NPL was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contribution of all participating employers, actuarially determined.

The following table reflects the City's proportionate share of the Net Pension Liability for each of the pension plans, the proportion at June 30, 2025 and the change compared to the June 30, 2024 proportion.

	Net Pension Liability at June 30, 2025	Proportionate Rate at June 30, 2025	Increase (Decrease) on June 30, 2024 Rate
Multiple Employer Cost Sharing Plans:			
Municipal Police Employees' Retirement System	\$ 2,395,698	0.346896%	0.048297%
Firefighters' Retirement System	1,004,599	0.238504%	-0.016253%
Total - Multiple Employer Cost Sharing Plans:	<u>\$ 3,400,297</u>		

CITY OF HARRAHAN, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

(9) Pension Plans (continued)

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

The following table reflects the City's recognized pension expense plus the City's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions for each of the pension plans for the year ended December 31, 2025.

	Pension Expense
Municipal Police Employees' Retirement System	\$ 265,193
Firefighters' Retirement System	194,272
	<u>\$ 459,465</u>

At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

MPERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 116,159	\$ (63,382)
Changes of assumptions	-	(110,030)
Net difference between projected and actual earnings on pension plan investments	-	(188,711)
Changes in proportion and differences between Employer contributions and proportionate share of contributions		
Change in proportion	387,386	(84,815)
Difference in contributions	39,121	-
Employer contributions subsequent to the measurement date	197,012	-
Total	<u>\$ 739,678</u>	<u>\$ (446,938)</u>
FRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 128,647	\$ (18,125)
Changes of assumptions	45,802	-
Net difference between projected and actual earnings on pension plan investments	-	(187,730)
Changes in proportion and differences between Employer contributions and proportionate share of contributions		
Change in proportion	219,542	(193,456)
Difference in contributions	-	(15,743)
Employer contributions subsequent to the measurement date	140,021	-
Total	<u>\$ 534,012</u>	<u>\$ (415,054)</u>

CITY OF HARRAHAN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

(9) Pension Plans (continued)

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

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan are presented below.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Municipal Police Employees' Retirement System	\$ 739,678	\$ (446,938)
Firefighters' Retirement System	534,012	(415,054)
	<u>\$ 1,273,690</u>	<u>\$ (861,992)</u>

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ended December 31, 2026. The following table lists the pension contributions made subsequent to the measurement period for each pension plan.

	Subsequent Contributions
Municipal Police Employees' Retirement System	\$ 197,012
Firefighters' Retirement System	140,021
	<u>\$ 337,033</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	MPERS	FRS	Total
2026	\$ 347,422	\$ 151,280	\$ 498,702
2027	(142,981)	(62,917)	(205,898)
2028	(49,218)	(64,620)	(113,838)
2029	(72,536)	(22,896)	(95,432)
2030	6,520	(18,191)	(11,671)
2031	6,521	(3,719)	2,802
	<u>\$ 95,728</u>	<u>\$ (21,063)</u>	<u>\$ 74,665</u>

CITY OF HARRAHAN, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

(9) Pension Plans (continued)

Actuarial Assumptions

	MPERS	FRS						
Valuation Date	June 30, 2025	June 30, 2025						
Actuarial Cost Method	Entry Age Normal Cost	Entry Age Normal Cost						
Actuarial Assumptions:								
Expected Remaining								
Service Lives	4 years	7 years, closed period						
Investment Rate of Return	6.75% net of investment expenses	6.90% (net of investment expenses, including inflation)						
Inflation Rate	2.50% per annum	2.50% per annum						
Mortality	For active members, the Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Employees was used multiplied by 125% for males and 125% for females, each with full generational projection using the MP2021 scale. For annuitants and beneficiaries, the Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees was used multiplied by 125% for males and 125% for females, each with full generational projection using the MP2021 scale. For disabled retirees, the Pub-2016 Public Retirement Plans Mortality Table Total Dataset for Safety Disabled Retirees was used multiplied by 125% for males and 125% for females, each with full generational projection using the MP2021 scale.	For active members, mortality was set equal to the Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Employees. For annuitants and beneficiaries, mortality was set equal to the Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees. For disabled retirees, mortality was set equal to the Pub-2016 Public Retirement Plans Mortality Table for Safety Disabled Retirees. In all cases the base table was multiplied by 110% for males and 110% for females, each with full generational projection using the appropriate MP-2021 scale.						
Salary Increases	<table><tr><td>Years of Service</td><td>Salary Growth Rate</td></tr><tr><td>1 - 2</td><td>13.00%</td></tr><tr><td>Above 2</td><td>4.75%</td></tr></table>	Years of Service	Salary Growth Rate	1 - 2	13.00%	Above 2	4.75%	14.50% in the first two years of service and 5.00% with 3 or more years of service
Years of Service	Salary Growth Rate							
1 - 2	13.00%							
Above 2	4.75%							
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	For the purpose of determining the present value of benefits, COLAs were deemed not to be substantively automatic and only those previously granted were included.						

CITY OF HARRAHAN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

(9) Pension Plans (continued)

Actuarial Assumptions (continued)

The following table lists the methods used by each of the pension plans in determining the long-term rate of return on pension plan investments.

<u>MPERS</u>	<u>FRS</u>
The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long-term rate of return is 8.12% for the year ended June 30, 2025.	For each year, the actuary determines the reasonable range of the actuarial valuation interest rate, an expected long-term portfolio rate of return and standard deviation based upon the System's target asset allocation and a long-term time horizon. These rates were based on an analysis of the System's portfolio along with expected long-term rates of return, standard deviations of return, and correlations between asset classes collected from several investment consulting firms in addition to the System's investment consultant, NEPC. Using these values and assuming that future portfolio returns are normally distributed, ten thousand trials of returns over the upcoming thirty years were performed. The results of these trials were organized into percentiles and a reasonable range, equal to the 40th through 60th percentiles, was set. For the fiscal year ended June 30, 2025, the reasonable range was set at 6.64% through 7.76% and the Board of Trustees elected to set the System's assumed rate of return at 6.90% for Fiscal 2025.

Best estimates of the arithmetic real rates of return for each major asset class included in the MPERS' and FRS' target asset allocations as of June 30, 2025 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>		<u>Long-Term Expected Real Rate of Return</u>	
	<u>MPERS</u>	<u>FRS</u>	<u>MPERS</u>	<u>FRS</u>
Equity	51.00%	52.00%	3.20%	6.47%
Fixed Income	35.00%	32.00%	1.21%	2.25%
Alternatives	14.00%	16.00%	1.04%	7.82%
Total	<u>100.00%</u>	<u>100.00%</u>	5.45%	16.53%
Inflation			<u>2.67%</u>	<u>2.50%</u>
Expected Arithmetic Nominal Return			<u>8.12%</u>	<u>19.03%</u>

CITY OF HARRAHAN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

(9) Pension Plans (continued)

Actuarial Assumptions (continued)

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan'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 rates used to measure the total pension liability for MPERS and FRS were 6.75% and 6.90% for the year ended June 30, 2025, respectively.

Sensitivity of the Proportionate Share of the NPL to Changes in the Discount Rate

The following presents the City's proportionate share of the Net Pension Liability using the discount rate, as well as what the City's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
MPERS			
Rates	5.75%	6.75%	7.75%
City's proportionate share of NPL	\$ 3,929,758	\$ 2,395,698	\$ 1,110,980
FRS			
Rates	5.90%	6.90%	7.90%
City's proportionate share of NPL	\$ 1,938,392	\$ 1,004,599	\$ 226,192

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The City recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities.

CITY OF HARRAHAN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

(9) Pension Plans (continued)

Support of Non-employer Contributing Entities (continued)

During the year ended December 31, 2025, the City recognized revenue as a result of support received from non-employer contributing entities for the following amounts for each pension plan:

	Non-Employer Contributing Entity Revenue
Municipal Police Employees' Retirement System	\$ 102,886
Firefighters' Retirement System	83,068
	<u>\$ 185,954</u>

Pension Plan Fiduciary Net Position

MPERS and FRS issue publicly available financial reports that include financial statements and required supplementary information for the systems. Detailed information about each system's fiduciary net position is available in these separately issued financial reports. These reports may be obtained by visiting the Louisiana Legislative Auditor's website at www.la.la.gov and searching under the Reports section.

Payables to the Pension Plans

The City recorded accrued liabilities to each of the Retirement Systems for the year ended December 31, 2025 mainly due to the accrual for payroll at the end of each of the fiscal years. The amounts due are included in liabilities under the amounts reported as accounts, salaries, and other payables. The balance due to each for the retirement systems at December 31, 2025 is as follows:

MPERS	\$ 39,708
FRS	<u>30,038</u>
	<u>\$ 69,746</u>

(10) Commitments and Contingencies

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2025, the City carried insurance through various commercial carriers to cover all risks of loss. The City has no settled claims from these risks that exceeded its commercial coverage in any of the past three fiscal years.

CITY OF HARAHAH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

(10) Commitments and Contingencies (continued)

Litigation

The City is a defendant in several lawsuits. Damages are generally covered by insurance less the deductible for risks retained by the City. The City and its attorneys have reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if possible, of the amount or range of potential loss to the City. As a result of such a review, loss contingencies which could be reasonably estimated, have been categorized as "probable", "reasonably possible", and "remote", as defined in Governmental Accounting Standards Board Codification Section C50- *Claims and Judgements*. The City does not believe any potential loss to the City from any of these lawsuits would have a material impact on the financial statements, as such no amounts are recorded at December 31, 2025.

Grant Funding

The City participates in a number of federal, state, and local programs which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable as of December 31, 2025 might be impaired. In the City's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing federal, state, and local grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the City.

(11) Sales Tax

A sales tax of 9.75% was collected on purchases in the City of Harahan during the 2025 year. Of the 9.75% total, 5.0% is levied by the state of Louisiana and 4.75% by Jefferson Parish, for itself and other local government subdivisions within the Parish. Of the 4.75% levied by Jefferson Parish, 2.0% is dedicated to the Jefferson Parish School Board and 2.75% is collected for the benefit of the City of Harahan. Sales tax amounts are dedicated to the general operations of the City and to support law enforcement. The Jefferson Parish Sheriff's Office (a separate reporting entity) collects all Jefferson Parish taxes, except on motor vehicle sales, and retains a collection commission on the share going to local governments. The state collects parish taxes on motor vehicle sales and remits them back to the parish of registration. These sales tax amounts are recorded in the sales tax fund.

On March 26, 2022, the voters authorized the City to levy and collect a tax of 0.8%, in perpetuity, commencing July 1, 2022, upon the sale at retail, the use, the lease or rental, the consumption, and storage for use or consumption, of tangible personal property and on sales of services in the City, all as defined by law, with the proceeds of the tax, to be used for the purpose of operating the fire department of the City, including payment of salaries, insurance and other expenses of the fire department of the City. These sales tax amounts are recorded in the fire sales tax fund.

CITY OF HARRAHAN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

(12) Deficit Fund Balance

The FEMA Fund had a deficit in unassigned fund balance of \$925,917 as of December 31, 2025. This deficit in fund balance is expected to be covered by future receipts from FEMA under the Public Assistance Program. If amounts recovered from FEMA are insufficient to cover the deficit (as well as any future deficits as a result of disallowed costs), then amounts will need to be transferred from the general fund in order to cover the deficits or shortfalls.

(13) Agreement with the State of Louisiana

In February 2024, the City entered into an agreement with the State of Louisiana Office of Facility Planning and Control for total funding of \$4,705,000 with a 25% match from the City of \$1,568,333 for a total project cost of \$6,273,333. The project is funding the related planning and construction of emergency improvements to the sewer collection system and an overhaul to the treatment system. In May 2024, the City entered into a contract with a company for an amount not to exceed the standard rate of \$800,460 to provide engineering services throughout the project including design, bidding, construction, surveying, and resident inspection. For the year ended, December 31, 2025, the City received \$647,386 in capital grant revenue for capital expenditures in the Sewer Fund.

(14) Restricted Fund Balance and Net Position

Restricted fund balance of government funds and restricted net position of government type activities consisted of the following as of December 31, 2025:

Governmental Funds

General:

Police department	\$ 331
Fire sales tax	3,357,675
Capital projects	100,000
	<u>\$ 3,458,006</u>

Restricted net position of business type activities and proprietary funds consisted of the following as of December 31, 2025:

Proprietary Funds

Debt service	\$ 248,409
Repairs and maintenance	240,774
	<u>\$ 489,183</u>

(15) Subsequent Events

The City has evaluated subsequent events through the date that the financial statements were available to be issued, June 15, 2026, and determined the following items required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

The City purchased an additional fire truck in 2026 with no financing agreement, and has budgeted to make the full payment in 2026 in the amount of \$1,375,924 in the fire sales tax fund.

REQUIRED SUPPLEMENTARY INFORMATION (PART 2)

CITY OF HARRAHAN, LOUISIANA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2025

	Initial Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
<u>REVENUES</u>				
Ad valorem taxes	\$ 1,986,875	\$ 1,986,599	\$ 1,987,214	\$ 615
Intergovernmental	268,692	314,327	357,359	43,032
Franchise fees	453,585	429,423	430,378	955
Fees, licenses and permits	633,979	673,442	671,170	(2,272)
Fines and forfeitures	323,019	243,976	249,292	5,316
Charges for services	1,221,196	1,231,128	1,247,973	16,845
Gaming revenue	403,835	416,326	433,954	17,628
Interest income	41,137	80,483	81,155	672
Other	251,931	164,227	179,701	15,474
Total revenues	5,584,249	5,539,931	5,638,196	98,265
<u>EXPENDITURES</u>				
General government - other	2,368,454	2,214,733	2,318,525	(103,792)
Public safety - police	2,807,832	2,876,691	2,854,778	21,913
Public safety - fire	1,990,141	1,980,541	1,936,682	43,859
Public works	489,592	482,507	482,205	302
Sanitation	1,109,885	1,089,559	1,092,599	(3,040)
Recreation	312,446	391,319	404,434	(13,115)
Debt service - principal	250,000	316,780	316,780	-
Debt service - interest	140,360	140,173	139,543	630
Capital outlay	-	1,450,000	1,400,433	49,567
Total expenditures	9,468,710	10,942,303	10,945,979	(3,676)
<u>DEFICIENCY OF REVENUES UNDER EXPENDITURES</u>	(3,884,461)	(5,402,372)	(5,307,783)	94,589
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from finance lease	-	1,450,000	1,400,433	(49,567)
Transfers in	4,178,580	4,246,483	4,261,470	14,987
Transfers out	(403,835)	(416,326)	(433,954)	(17,628)
Total other financing sources	3,774,745	5,280,157	5,227,949	(52,208)
<u>CHANGE IN FUND BALANCE</u>	(109,716)	(122,215)	(79,834)	42,381
<u>FUND BALANCE - BEGINNING OF YEAR</u>	2,947,332	2,947,332	2,947,332	-
<u>FUND BALANCE - END OF YEAR</u>	\$ 2,837,616	\$ 2,825,117	\$ 2,867,498	\$ 42,381

See accompanying independent auditors' report.

CITY OF HARRAHAN, LOUISIANA
SALES TAX FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2025

	Initial Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
<u>REVENUES</u>				
Sales and use tax revenue	\$ 3,241,391	\$ 3,262,540	\$ 3,278,458	\$ 15,918
Interest income	3,164	-	-	-
Total revenues	<u>3,244,555</u>	<u>3,262,540</u>	<u>3,278,458</u>	<u>15,918</u>
<u>EXPENDITURES</u>				
General government	<u>175,628</u>	<u>167,773</u>	<u>168,495</u>	<u>(722)</u>
Total expenditures	<u>175,628</u>	<u>167,773</u>	<u>168,495</u>	<u>(722)</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	<u>3,068,927</u>	<u>3,094,767</u>	<u>3,109,963</u>	<u>15,196</u>
<u>OTHER FINANCING USES</u>				
Transfers in	-	-	-	-
Transfers out	<u>(3,068,927)</u>	<u>(3,094,767)</u>	<u>(3,109,963)</u>	<u>(15,196)</u>
Total other financing sources (uses)	<u>(3,068,927)</u>	<u>(3,094,767)</u>	<u>(3,109,963)</u>	<u>(15,196)</u>
<u>CHANGE IN FUND BALANCE</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report.

CITY OF HARRAHAN, LOUISIANA
FIRE SALES TAX FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2025

	Initial Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
<u>REVENUES</u>				
Sales and use tax revenue	\$ 1,750,000	\$ 2,040,613	\$ 2,078,527	\$ 37,914
Interest income	103,535	125,057	126,809	1,752
Total revenues	<u>1,853,535</u>	<u>2,165,670</u>	<u>2,205,336</u>	<u>39,666</u>
<u>EXPENDITURES</u>				
Public safety - fire	162,098	186,334	187,354	(1,020)
Total expenditures	<u>162,098</u>	<u>186,334</u>	<u>187,354</u>	<u>(1,020)</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	<u>1,691,437</u>	<u>1,979,336</u>	<u>2,017,982</u>	<u>38,646</u>
<u>OTHER FINANCING USES</u>				
Transfers in	-	-	-	-
Transfers out	(1,009,653)	(1,067,653)	(1,067,653)	-
Total other financing sources (uses)	<u>(1,009,653)</u>	<u>(1,067,653)</u>	<u>(1,067,653)</u>	<u>-</u>
<u>CHANGE IN FUND BALANCE</u>	681,784	911,683	950,329	38,646
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>2,407,346</u>	<u>2,407,346</u>	<u>2,407,346</u>	<u>-</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>\$ 3,089,130</u>	<u>\$ 3,319,029</u>	<u>\$ 3,357,675</u>	<u>\$ 38,646</u>

See accompanying independent auditors' report.

CITY OF HARRAHAN, LOUISIANA
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
COST SHARING PLANS ONLY
FOR THE YEAR ENDED DECEMBER 31, 2025 (*)

Year ended June 30	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
<u>Municipal Police Employees' Retirement System</u>					
2025	0.3469%	\$ 2,395,698	\$ 1,300,443	184.2217%	81.9406%
2024	0.2986%	\$ 2,705,295	\$ 1,029,997	262.6508%	75.8402%
2023	0.3185%	\$ 3,365,323	\$ 950,118	354.2005%	71.3030%
2022	0.2812%	\$ 2,874,005	\$ 878,177	327.2694%	70.7991%
2021	0.3343%	\$ 1,781,932	\$ 797,258	223.5076%	84.0881%
2020	0.2840%	\$ 2,625,127	\$ 1,009,725	259.9844%	70.9450%
2019	0.2365%	\$ 2,148,061	\$ 745,771	288.0323%	71.0078%
2018	0.2691%	\$ 2,274,785	\$ 710,290	320.2614%	71.8871%
2017	0.1930%	\$ 1,684,561	\$ 574,178	293.3865%	70.0815%
2016	0.2201%	\$ 2,062,451	\$ 631,991	326.3418%	66.0422%
<u>Firefighters Retirement System</u>					
2025	0.2385%	\$ 1,004,599	\$ 757,121	132.6867%	86.9567%
2024	0.2548%	\$ 1,434,426	\$ 751,468	190.8832%	81.6785%
2023	0.2875%	\$ 1,876,463	\$ 769,823	243.7525%	77.6898%
2022	0.2251%	\$ 1,587,443	\$ 678,545	233.9481%	74.6773%
2021	0.2237%	\$ 792,646	\$ 571,421	138.7149%	86.7825%
2020	0.2119%	\$ 1,468,788	\$ 550,956	266.5890%	72.6117%
2019	0.1969%	\$ 1,232,670	\$ 475,766	259.0917%	73.9643%
2018	0.1971%	\$ 1,133,545	\$ 439,205	258.0902%	74.7634%
2017	0.1669%	\$ 956,531	\$ 389,641	245.4903%	73.5479%
2016	0.1702%	\$ 1,113,458	\$ 383,833	290.0892%	68.1550%

(*) The amounts presented were determined as of the measurement date (year ended June 30)

CITY OF HARRAHAN, LOUISIANA
SCHEDULE OF EMPLOYER CONTRIBUTIONS TO EACH RETIREMENT SYSTEM
COST SHARING PLANS ONLY
FOR THE YEAR ENDED DECEMBER 31, 2025

Year ended December 31	Contractually required contribution (1)	Contributions in relation to the contractually required contribution (2)	Contribution deficiency (excess)	Employers covered payroll (3)	Contributions as a percentage of covered payroll
<u>Municipal Police Employees' Retirement System</u>					
2025	\$ 462,959	\$ 462,959	\$ -	\$ 1,340,434	34.54%
2024	\$ 357,100	\$ 357,100	\$ -	\$ 1,052,616	33.93%
2023	\$ 339,751	\$ 339,751	\$ -	\$ 1,014,366	33.49%
2022	\$ 280,812	\$ 280,812	\$ -	\$ 877,262	32.01%
2021	\$ 269,977	\$ 269,977	\$ -	\$ 965,013	27.98%
2020	\$ 349,162	\$ 349,162	\$ -	\$ 852,805	40.94%
2019	\$ 260,978	\$ 260,978	\$ -	\$ 806,037	32.38%
2018	\$ 225,800	\$ 225,800	\$ -	\$ 717,127	31.49%
2017	\$ 202,309	\$ 202,309	\$ -	\$ 646,954	31.27%
2016	\$ 160,576	\$ 160,576	\$ -	\$ 525,053	30.58%
<u>Firefighters Retirement System</u>					
2025	\$ 244,758	\$ 244,758	\$ -	\$ 736,114	33.25%
2024	\$ 243,415	\$ 243,415	\$ -	\$ 732,075	33.25%
2023	\$ 250,647	\$ 250,647	\$ -	\$ 753,832	33.25%
2022	\$ 227,714	\$ 227,714	\$ -	\$ 674,708	33.75%
2021	\$ 188,641	\$ 188,641	\$ -	\$ 571,421	33.01%
2020	\$ 165,498	\$ 165,498	\$ -	\$ 550,956	30.04%
2019	\$ 134,329	\$ 134,329	\$ -	\$ 494,853	27.15%
2018	\$ 125,245	\$ 125,245	\$ -	\$ 456,040	27.46%
2017	\$ 115,668	\$ 115,668	\$ -	\$ 446,279	25.92%
2016	\$ 90,633	\$ 90,633	\$ -	\$ 341,374	26.55%

(1) Employer contribution rate multiplied by employer's covered employee payroll

(2) Actual employer contributions remitted to Retirement systems

(3) Employers covered payroll amount for the year ended December 31 of each year

SUPPLEMENTARY INFORMATION

CITY OF HARRAHAN, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO CITY COUNCIL MEMBERS
FOR THE YEAR ENDED DECEMBER 31, 2025

Jason Asbill	\$	15,500
Tommy Budde		15,500
Eric Chatelain		15,500
Paul Johnston		15,500
Michael Ricks		15,500
	\$	77,500

See accompanying independent auditors' report.

CITY OF HARRAHAN, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2025

Agency Head Name: Tim Baudier, Mayor

Purpose	Amount
Salary	\$ 80,368
Benefits - Medical	9,668
Benefits - Vision	74
Benefits - Life	210
Benefits - Accident	203
	\$ 90,523

See accompanying independent auditors' report.

Justice System Funding Schedule - Collecting/Disbursing Entity

As Required by Act 87 of the 2020 Regular Legislative Session

Identifying Information		
Entity Name	City of Harahan	
LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)	2176	
Date that reporting period ended (mm/dd/yyyy)	12/31/2025	
	First Six Month Period Ended 6/30/2025	Second Six Month Period Ended 12/31/2025
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	-	-
Add: Collections		
Civil Fees (including refundable amounts such as garnishments or advance deposits)	-	-
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
City of Harahan, Criminal Court Costs/Fees	75,591	72,868
City of Harahan, Criminal Fines - Contempt	19,846	18,230
City of Harahan, Court Fines	43,247	36,111
City of Harahan, Technology fee	5,639	5,325
City of Harahan, Appearance fee	7,815	7,717
Restitution	-	-
Probation/Parole/Supervision Fees	1,690	1,532
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
Interest Earnings on Collected Balances	-	-
Other (do not include collections that fit into more specific categories above)	-	-
Subtotal Collections	153,828	141,783
Less: Disbursements To Governments & Nonprofits:		
City of Harahan, Criminal Court Costs/Fees	-	-
City of Harahan, Criminal Fines - Other	-	-
ACT 50 Crimestoppers INC. - Crimestoppers	846	768
ACT 440 Louisiana Commission on Law Enforcement - Louisiana Commission on Law Enforcement	844	764
ACT 250 Crime Victims Reparations Fund - Louisiana Commission on Law Enforcement	89	105
Indigent Defender Fund - Public Defenders Office	14,550	13,460
ACT 152 Trial Court Case Management - Treasurer State of Louisiana	1,269	1,150
ACT 131 LA Judicial College - Louisiana Supreme Court	211	192
ACT 654 Traumatic Head & Spinal Cord Injury - DHH - Traumatic Head and Spinal Cord Injury Trust Fund Program	1,466	1,241
ACT 508 Disability Affairs Trust Fund - Disability Affairs Trust Fund	25	-
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
Amounts "Self-Disbursed" to Collecting Agency (must include a separate line for each collection type, as applicable) - Example:		
Criminal Fines - Other (Additional rows may be added as necessary)	-	-
City of Harahan, Criminal Court Costs/Fees	57,981	56,720
City of Harahan, Criminal Fines - Contempt	19,846	18,230
City of Harahan, Court Fines	43,247	36,111
City of Harahan, Technology fee	5,639	5,325
City of Harahan, Appearance fee	7,815	7,717
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil Fee Refunds	-	-
Bond Fee Refunds	-	-
Restitution Payments to Individuals (additional detail is not required)	-	-
Other Disbursements to Individuals (additional detail is not required)	-	-
Payments to 3rd Party Collection/Processing Agencies	-	-
Subtotal Disbursements/Retainage	153,828	141,783
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	-	-
Ending Balance of "Partial Payments" Collected but not Disbursed (only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.	-	-
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected (i.e. receivable balance)	-	-
Total Waivers During the Fiscal Period (i.e. non-cash reduction of receivable balances, such as time served or community service)	-	-
See accompanying independent auditors' report.		

OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

To the Honorable Mayor and the City Council
City of Harahan, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Harahan (the City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 12, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
June 15, 2026

EISNERAMPER
LLP



CITY OF HARAHAH

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED DECEMBER 31, 2025

Part I – Summary of Auditors' Results

Financial Statement Section

Type of auditors' report issued on the financial statements

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

No

None reported.

Noncompliance material to financial statements noted?

No

Other Matter:

No

Part II – Financial Statement Findings Section

None noted

CITY OF HARRAHAN

SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2025

2024-001 BUDGET ACT

<i>Criteria:</i>	Louisiana Revised Statute 39.1311 requires governments to amend their budgets when revenues and other financing sources are falling short of the budget by 5% or more and when expenditures and other uses are exceeding the budget by 5% or more.
<i>Condition:</i>	For the year ended December 31, 2024, the actual expenditures and other uses of the American Rescue Plan Act (ARPA) fund of \$2,734,068 exceeded the budgeted expenditures and other uses of \$1,871,096, by \$862,972, resulting in an unfavorable variance that exceeded 5%. The City is not in compliance with LA Revised Statute 39:1311 for the year ended December 31, 2024.
<i>Cause:</i>	The amended budget approved by the City in December 2024 did not include amended expenditure amounts for the ARPA Fund when actual expenditures and other uses exceeded budgeted expenditures and other uses by more than 5%.
<i>Effect:</i>	The City is not in compliance with LA Revised Statute 39:1311 for the year ended December 31, 2024.
<i>Recommendation:</i>	The City should ensure budget amendments are adopted during the year whenever actual expenditures and other uses exceed budgeted expenditures and other uses by more than 5%.
<i>Management's response:</i>	The City concurs with the finding described above.
<i>Status:</i>	Resolved.

CITY OF HARRAHAN

SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2025

2024-002 COMPLIANCE AND INTERNAL CONTROL UNDER PUBLIC BID LAW

<i>Criteria:</i>	The Louisiana Public Bid Law (RS 38:2211) is the set of laws that governs contracts for public works and the purchase of materials and supplies by public entities that meet certain threshold requirements called the “contract limit” (minimum), set at \$60,000 for materials and supplies and \$250,000 for public works. The purpose of the public bid law is to ensure that public entities receive the best possible price when using public funds for the procurement of materials and supplies or public works. The Public Bid Law is a prohibitory law founded on public policy and therefore public entities must strictly comply with its provisions absent express exception in law. Public entities must advertise and award contracts to the lowest responsible and responsive bidder. This involves a public advertisement of the project or purchase, followed by a public opening and reading of the bids.
<i>Condition:</i>	For the year ended December 31, 2024, four expenditures totaling \$279,986 were selected for testing. All expenditures were for one project, with one vendor. The project exceeded the materials and supplies threshold of \$60,000 and public works threshold of \$250,000. The City was unable to provide any written bid support for the project.
<i>Cause:</i>	The City did not adhere to compliance with Public Bid Law and its established procurement policy. The City did not maintain appropriate records needed to evidence compliance with Public Bid Law requirements.
<i>Effect:</i>	The City may enter into contracts with vendors that do not provide the best possible price when using public funds for the procurement of materials and supplies or public works.
<i>Recommendation:</i>	The City should strengthen controls to ensure appropriate consideration to competitors is given and adequate documentation is maintained with respect to procurement of materials and supplies or public works under Louisiana Public Bid Law.
<i>Management’s response:</i>	The City concurs with the finding described above.
<i>Status:</i>	Resolved.

CITY OF HARAHAH

SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2025

**2024-003 PROCEDURES OVER PREPARATION OF THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS**

<i>Criteria:</i>	The City should have systems of internal accounting control which ensures the schedule of expenditures of federal awards (SEFA) is presented in accordance with Title I U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) on a timely basis.
<i>Universe/Population:</i>	Not applicable.
<i>Condition:</i>	The City did not perform final reconciliations of the American Rescue Plan Act (ARPA) and the Federal Emergency Management Agency (FEMA) expenditures necessary to prepare an accurate and complete SEFA on a timely basis.
<i>Cause:</i>	Due to the complexity of the calculations for recognizing ARPA and FEMA expenditures on the SEFA, the City provided adjustments to the original SEFA provided to the auditors.
<i>Effect:</i>	The original SEFA required adjustments necessary to correct the balances reported as federal expenditures for ARPA and FEMA.
<i>Questioned Costs:</i>	For the purposes of this finding, there were no questioned costs.
<i>Recommendation:</i>	The City should strengthen its controls over the reconciliation of federal program expenditures and associated calculations to ensure the information and balances that are accumulated and reported on the SEFA are an accurate representation of federal expenditures and based on the reporting requirements provided in the federal award and the compliance supplement.
<i>Management's Response:</i>	The City concurs with the observation and will implement procedures in 2025 as recommended.
<i>Status:</i>	Resolved.

CITY OF HARAHAH

SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2025

2024-004 COMPLIANCE AND INTERNAL CONTROL OVER PROCUREMENT – ARPA

Assistance Listing: 21.027 Coronavirus State and Local Fiscal Recovery Funds

<i>Criteria:</i>	The American Rescue Plan Act (ARPA) provided significant funding to state, local, and tribal governments to address the public health and economic impacts of the COVID-19 pandemic. These funds are subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200), which include the specific standards under Public Bid Law.
<i>Condition:</i>	For the year ended December 31, 2024, twelve vendors with expenditures totaling \$ 2,179,730 were selected for testing. We noted for one of the vendors selected for testing, the City was unable to provide any contract or bid support for the project, which incurred \$434,190 of expenditures during the year.
<i>Universe/Population:</i>	The total population for procurement considerations was all vendors of the American Rescue Plan Act whose transactions for the year ended December 31, 2024, exceeded the micro-purchase threshold of \$10,000. Payroll and benefit-related transactions were excluded from the population. Based on these requirements, the population consisted of twenty-three vendors totaling \$2,790,345.
<i>Sample size :</i>	A sample of 12 vendors were selected for testing based on those with total expenditures over \$10,000 during the fiscal year.
<i>Cause:</i>	The City did not adhere to compliance with Uniform Guidance Federal regulations per 2 CFR section 200.320 and its established procurement policy. The City did not maintain appropriate records needed to evidence compliance with Bid Law requirements.
<i>Effect:</i>	The City may enter into contracts with vendors that do not provide the best possible price when using public funds.
<i>Questioned Costs:</i>	For the purposes of this finding, there were no questioned costs.
<i>Recommendation:</i>	The City should strengthen controls to ensure appropriate consideration to competitors is given and adequate documentation is maintained with respect to procurement in accordance with federal Uniform Guidance requirements.
<i>Management's response:</i>	The City concurs with the finding described above.
<i>Status:</i>	Resolved.



CITY OF HARAHAH
REPORT ON STATEWIDE
AGREED-UPON PROCEDURES ON COMPLIANCE
AND CONTROL AREAS
FOR THE YEAR ENDED DECEMBER 31, 2025



CITY OF HARAHAH

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Council Members of the City of Harahan and the Louisiana Legislative Auditor

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) of the City of Harahan (the City) for the fiscal period January 1, 2025 through December 31, 2025. The City's management is responsible for those C/C areas identified in the SAUPs.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of performing specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period January 1, 2025 through December 31, 2025. Additionally, the 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 we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs of the City for the fiscal period January 1, 2025 through December 31, 2025. 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 City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of 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.



EISNERAMPER LLP
Baton Rouge, Louisiana
June 15, 2026

CITY OF HARAHAHAN

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

DECEMBER 31, 2025

Schedule A

1) Written Policies and Procedures

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

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

Exception noted. The City's written policies and procedures over budgeting do not include amending the budget. No other exceptions were found as a result of this procedure.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

Exception noted. The City's written policies and procedures over contracting do not include standard terms and conditions of contracts. No other exceptions were found as a result of this procedure.

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

No exception noted.

CITY OF HARRAHAN

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

DECEMBER 31, 2025

Schedule A

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

Exception noted. The City's written policies and procedures over prevention of sexual harassment do not include annual reporting. No other exceptions were found as a result of this procedure.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- i. Observe whether the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exception noted.

CITY OF HARAHAAN

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

DECEMBER 31, 2025

Schedule A

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exception noted.

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

No exception noted.

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

Exception noted. The Council has not received written updates of the progress of resolving audit findings, according to management's corrective action plan, since the findings were presented at the August 2025 Council meeting. No other exceptions were found as a result of this procedure.

3) Bank Reconciliations

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

A listing of bank accounts was provided and included a total of 14 bank accounts. Management identified the City's main operating account. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected 5 bank accounts (1 main operating and 4 randomly) and obtained the bank reconciliations for the month ending September 30, 2025, resulting in 5 bank reconciliations obtained and subjected to the below procedures.

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

No exception noted.

CITY OF HARAHAH

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

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Schedule A

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

No exception noted.

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

No exception noted.

4) Collections (excluding electronic funds transfers)

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

A listing of deposit sites was provided and included a total of one deposit site. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the 1 deposit site and performed the procedures below.

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

A listing of collection locations for the deposit site selected in procedure #4A was provided and included a total of 4 collection locations. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 1 collection location for the 1 deposit site. Review of the City's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

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

No exception noted.

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

No exception noted.

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

No exception noted.

CITY OF HARAHAHAN

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

No exception noted.

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

No exception noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

We randomly selected 2 deposit dates for each of the 5 bank accounts selected in procedure #3A. We obtained supporting documentation for each of the deposits and performed the procedures below. This resulted in a total of 2 deposits selected for testing, as some accounts did not have any deposits during the fiscal year.

- i. Observe that receipts are sequentially pre-numbered.

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

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

The listing of locations that process payments for the fiscal period was provided and included a total of 1 location. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the 1 location and performed the procedures below.

- 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

The listing of employees involved with non-payroll purchasing and payment functions for the payment processing location selected in procedure #5A was provided. No exceptions were noted as a result of performing this procedure.

Review of the City's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

CITY OF HARAHAAN

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

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- 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

A listing of non-payroll disbursements for the payment processing location selected in procedures #5A was provided related to the reporting period. No exceptions were found as a result of performing this procedure.

From the listing provided, we randomly selected 5 disbursements and performed the procedures below.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

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

A listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period was provided. No exceptions were found as a result of performing this procedure.

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

From the listing provided, we randomly selected 5 cards (4 credit cards and 1 fuel card) used in the fiscal period. We randomly selected one monthly statement for each of the 5 cards selected and performed the procedures noted below.

CITY OF HARAHAHAN

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

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- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported; and

No exception noted.

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

No exception noted.

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

We randomly selected 10 transactions (or all transactions if less than 10) for 4 of the 5 cards selected in procedure #6B (1 fuel card excluded), for a total of 27 transactions selected for testing, and performed the specified procedures.

Exceptions noted. For 4 of the 27 transactions selected for testing, no original itemized receipt identifying precisely what was purchased was provided. For 6 of the 27 transactions selected for testing, no written documentation of the business/public purpose was provided. For 1 of the 27 transactions selected for testing, no documentation of the individuals participating in meals was provided.

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

No exception noted.

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

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

CITY OF HARAHAH

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

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The listing of travel and travel-related expense reimbursements was provided for the fiscal period. No exceptions were found as a result of performing this procedure.

From the listing provided, we randomly selected 5 reimbursements and performed the procedures below.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

8) Contracts

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

A listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period was provided. No exceptions were found as a result of performing this procedure.

From the listing provided, we randomly selected 5 contracts and performed the procedures below.

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

Of the 5 contracts selected for our procedures, none were subject to Louisiana Public Bid Law.

CITY OF HARAHAAN

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

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Schedule A

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

No exception noted.

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

No exception noted.

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

No exception noted.

9) Payroll and Personnel

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

A listing of employees/elected officials employed during the fiscal year was provided. No exceptions were found as a result of performing this procedure.

From the listing provided, we randomly selected 5 employees/officials and performed the specified procedures. No exceptions were found as a result of this procedure.

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

We randomly selected 1 pay period during the fiscal period and obtained attendance records and leave documentation for the pay period and performed the procedures below for the 5 employees/officials selected in procedure #9A.

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

No exception noted.

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

No exception noted.

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

No exception noted.

CITY OF HARAHAAN

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

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Schedule A

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

No exception noted.

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

A listing of employees/officials receiving termination payments during the fiscal period was provided. No exceptions were found as a result of this procedure.

From the listing provided, we randomly selected 2 employees/officials and performed the specified procedures. No exceptions were found as a result of this procedure.

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

No exception noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from procedure "Payroll and Personnel" procedure #9A, above obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

No exception noted.

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

The City did not have any changes to the ethics policy during the fiscal year, thus this step is not applicable.

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

No exception noted.

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11) Debt Service

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

No exception noted.

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

No exception noted.

12) Fraud Notice

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

Management represented that there were no misappropriations of public funds or assets during the fiscal period noted.

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

No exception noted.

13) Information Technology Disaster Recovery/Business Continuity

Perform the following procedures:

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

We performed the procedures and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

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

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

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

No exception noted.

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

No exception noted.

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

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

No exception noted.

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

No exception noted.

CITY OF HARAHAH

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

No exception noted.

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

No exception noted.

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

No exception noted.

CITY OF HARAHAH

MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN

DECEMBER 31, 2025

Schedule B

Management has reviewed and will address the exceptions noted above. See attached response.



CITY OF HARAHAN



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MAYOR

TIM BAUDIER

MUNICIPAL CLERK

CARRIE HEUSTIS

CITY COUNCIL

JASON D. ASBILL
TOMMY BUDDE
ERIC CHATELAIN
PAUL JOHNSTON
MIKE RICKS

June 12, 2026

EisnerAmper, LLP
1 Galliera Blvd, Suite 2100
Metairie, Louisiana 70001

Subject: Management's Response to the Statewide Agreed Upon Procedures

The following are the City of Harahan's (the City) responses to the items identified in the Statewide Agreed-Upon Procedures Report for the year ended December 31, 2025.

1. Written Policies and Procedures: The City concurs with the exception and will add additional language to the policies prior to December 31, 2026.
2. Board or Finance Committee: The City concurs with the exception and will ensure future council meetings minutes include any written updates on the progress of potential audit findings and management's correction action
3. Credit Cards/Debt Cards/Fuel Cards/P-Cards: The City concurs with the exception. The findings relate to missing original itemized receipts for charges that primarily consist of recurring monthly subscription payments. The City will obtain the required receipts directly from vendor websites and will ensure all itemized receipts include clear documentation of the business purpose, public purpose, and list of individuals who receive meals, if applicable, for each transaction.

Please let us know if you need additional information.

Respectfully

Tim Baudier
Mayor