

TOWN OF DELCAMBRE, LOUISIANA

Financial Report

Year Ended April 30, 2026

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INDEPENDENT AUDITOR'S REPORT

The Honorable Christopher Esponge, Mayor,
and Members of the Board of Aldermen
Town of Delcambre, 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 Town of Delcambre (Town), Louisiana, as of and for the year ended April 30, 2026, and the related notes to the financial statements, which collectively comprise the basic financial statements, as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary 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.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town’s basic financial statements. The supplementary information as listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for the purpose 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 supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of number of utility customers and rates, comparative statement of net position – proprietary funds, comparative departmental analysis of operating revenues and expenses – utility fund, and schedule of insurance in force but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2026, on our consideration of the Town’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town’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 Town’s internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
September 14, 2026

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

TOWN OF DELCAMBRE, LOUISIANA

Statement of Net Position
April 30, 2026

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and interest-bearing deposits	\$ 1,649,377	\$ 1,241,875	\$ 2,891,252
Receivables, net	116,627	105,205	221,832
Due from other governmental agencies	-	2,151,141	2,151,141
Internal balances	(107,162)	107,162	-
Prepaid expenses	33,436	7,825	41,261
Restricted assets -			
Cash and interest-bearing deposits	-	387,023	387,023
Capital assets -			
Non-depreciable	467,819	5,682,604	6,150,423
Depreciable, net of accumulated depreciation	<u>1,281,258</u>	<u>5,779,314</u>	<u>7,060,572</u>
Total assets	<u>3,441,355</u>	<u>15,462,149</u>	<u>18,903,504</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pension related	<u>81,163</u>	<u>-</u>	<u>81,163</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	87,313	28,916	116,229
Contracts payable	-	2,151,141	2,151,141
Retainage payable	-	168,724	168,724
Compensated absences payable	15,540	4,996	20,536
Customers' deposits	-	126,612	126,612
Long-term liabilities -			
Net pension liability	86,934	-	86,934
Portion due or payable within one year -			
Revenue bonds payable	6,312	34,259	40,571
Portion due or payable after one year -			
Revenue bonds payable	<u>20,412</u>	<u>2,344,738</u>	<u>2,365,150</u>
Total liabilities	<u>216,511</u>	<u>4,859,386</u>	<u>5,075,897</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pension related	<u>14,233</u>	<u>-</u>	<u>14,233</u>
NET POSITION			
Net investment in capital assets	1,722,353	6,763,056	8,485,409
Restricted for tax dedications	985,922	-	985,922
Restricted for debt service	-	260,411	260,411
Unrestricted	<u>583,499</u>	<u>3,579,296</u>	<u>4,162,795</u>
Total net position	<u>\$ 3,291,774</u>	<u>\$ 10,602,763</u>	<u>\$ 13,894,537</u>

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

TOWN OF DELCAMBRE, LOUISIANA

Statement of Activities
For the Year Ended April 30, 2026

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 214,460	\$ 149,942	\$ 16,104	\$ 38,990	\$ (9,424)	\$ -	\$ (9,424)
Public safety:							
Police	558,001	102,059	24,520	-	(431,422)	-	(431,422)
Fire	156,044	41,707	8,321	-	(106,016)	-	(106,016)
Public works	332,989	57,011	-	-	(275,978)	-	(275,978)
Total governmental activities	<u>1,261,494</u>	<u>350,719</u>	<u>48,945</u>	<u>38,990</u>	<u>(822,840)</u>	<u>-</u>	<u>(822,840)</u>
Business-type activities:							
Gas	165,444	241,856	-	-	-	76,412	76,412
Water	508,246	326,653	-	-	-	(181,593)	(181,593)
Sewer	363,032	381,901	-	3,205,756	-	3,224,625	3,224,625
Administrative	102,254	28,503	-	-	-	(73,751)	(73,751)
Interest and fiscal charges	51,944	-	-	-	-	(51,944)	(51,944)
Total business-type activities	<u>1,190,920</u>	<u>978,913</u>	<u>-</u>	<u>3,205,756</u>	<u>-</u>	<u>2,993,749</u>	<u>2,993,749</u>
Total	<u>\$ 2,452,414</u>	<u>\$ 1,329,632</u>	<u>\$ 48,945</u>	<u>\$ 3,244,746</u>	<u>(822,840)</u>	<u>2,993,749</u>	<u>2,170,909</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					50,706	-	50,706
Sales and use taxes, levied for general purposes					630,395	-	630,395
Other taxes					44,346	-	44,346
Interest income					43,932	34,433	78,365
Miscellaneous					187,945	22,165	210,110
Nonemployer pension contribution					3,733	-	3,733
Total general revenues					<u>961,057</u>	<u>56,598</u>	<u>1,017,655</u>
Change in net position					138,217	3,050,347	3,188,564
Net position - beginning					<u>3,153,557</u>	<u>7,552,416</u>	<u>10,705,973</u>
Net position - ending					<u>\$ 3,291,774</u>	<u>\$ 10,602,763</u>	<u>\$ 13,894,537</u>

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

FUND FINANCIAL STATEMENTS (FFS)

TOWN OF DELCAMBRE, LOUISIANA

Balance Sheet
Governmental Funds
April 30, 2026

	<u>General</u>	<u>Sales Tax</u>	<u>2024 Sales Tax</u>	<u>Special</u>	<u>Total</u>
ASSETS					
Cash	\$ 286,783	\$ 177,336	\$ 34,112	\$ 22,178	\$ 520,409
Interest-bearing deposits	448,232	544,963	-	135,773	1,128,968
Receivables:					
Sales tax	-	72,246	44,381	-	116,627
Due from other funds	78,124	43,804	-	3,522	125,450
Prepaid expenses	<u>21,859</u>	<u>4,201</u>	<u>-</u>	<u>7,376</u>	<u>33,436</u>
Total assets	<u>\$ 834,998</u>	<u>\$ 842,550</u>	<u>\$ 78,493</u>	<u>\$ 168,849</u>	<u>\$ 1,924,890</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 77,130	\$ -	\$ -	\$ -	\$ 77,130
Accrued expenses	8,991	971	-	221	10,183
Due to other funds	<u>141,411</u>	<u>75,049</u>	<u>-</u>	<u>16,152</u>	<u>232,612</u>
Total liabilities	<u>227,532</u>	<u>76,020</u>	<u>-</u>	<u>16,373</u>	<u>319,925</u>
Fund balances:					
Nonspendable	21,859	4,201	-	7,376	33,436
Restricted	-	762,329	78,493	145,100	985,922
Unassigned	<u>585,607</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>585,607</u>
Total fund balances	<u>607,466</u>	<u>766,530</u>	<u>78,493</u>	<u>152,476</u>	<u>1,604,965</u>
 Total liabilities and fund balances	 <u>\$ 834,998</u>	 <u>\$ 842,550</u>	 <u>\$ 78,493</u>	 <u>\$ 168,849</u>	 <u>\$ 1,924,890</u>

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

TOWN OF DELCAMBRE, LOUISIANA

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

Total fund balances for governmental funds		\$ 1,604,965
Capital assets, net		1,749,077
Long-term liabilities:		
Debt payable	\$ (26,724)	
Compensated absences	<u>(15,540)</u>	(42,264)
Pension:		
Net pension liability	(86,934)	
Deferred outflows of resources	81,163	
Deferred inflows of resources	<u>(14,233)</u>	<u>(20,004)</u>
Net position of governmental activities		<u>\$ 3,291,774</u>

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

TOWN OF DELCAMBRE, LOUISIANA

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

	General	Sales Tax	2024 Sales Tax	Special	Total
Revenues:					
Taxes	\$ 50,706	\$ 317,080	\$ 313,315	\$ 44,346	\$ 725,447
Licenses and permits	92,104	-	-	-	92,104
Intergovernmental	40,946	24,349	-	50,028	115,323
Charges for services, fines and forfeiture	159,897	32,662	-	-	192,559
Interest	18,209	20,771	-	4,952	43,932
Other	198,233	1,495	-	26,885	226,613
Total revenues	<u>560,095</u>	<u>396,357</u>	<u>313,315</u>	<u>126,211</u>	<u>1,395,978</u>
Expenditures:					
Current -					
General government	141,719	28,865	-	-	170,584
Public safety	522,355	-	-	129,156	651,511
Public works	58,091	225,271	-	-	283,362
Capital outlays	38,462	-	-	9,818	48,280
Debt service	7,326	-	-	-	7,326
Total expenditures	<u>767,953</u>	<u>254,136</u>	<u>-</u>	<u>138,974</u>	<u>1,161,063</u>
Excess (deficiency) of revenues over expenditures	<u>(207,858)</u>	<u>142,221</u>	<u>313,315</u>	<u>(12,763)</u>	<u>234,915</u>
Other financing (sources) uses:					
Transfers in	288,000	-	-	32,000	320,000
Transfers out	<u>-</u>	<u>-</u>	<u>(320,000)</u>	<u>-</u>	<u>(320,000)</u>
Total other financing sources (uses)	<u>288,000</u>	<u>-</u>	<u>(320,000)</u>	<u>32,000</u>	<u>-</u>
Net change in fund balances	80,142	142,221	(6,685)	19,237	234,915
Fund balances, beginning	<u>527,324</u>	<u>624,309</u>	<u>85,178</u>	<u>133,239</u>	<u>1,370,050</u>
Fund balances, ending	<u>\$ 607,466</u>	<u>\$ 766,530</u>	<u>\$ 78,493</u>	<u>\$ 152,476</u>	<u>\$ 1,604,965</u>

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

TOWN OF DELCAMBRE, LOUISIANA

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

Net change in fund balances of governmental funds		\$ 234,915
Capital assets:		
Capital additions	\$ 48,280	
Depreciation expense	(145,221)	
Loss on disposal of capital assets	<u>(654)</u>	(97,595)
Principal payments on long term debt		6,050
The effect of recording net pension liability and the related deferred outflows and inflows:		
Change in pension expense	(8,886)	
Nonemployer pension contribution revenue recognized	<u>3,733</u>	<u>(5,153)</u>
Change in net position of governmental activities		<u>\$ 138,217</u>

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

TOWN OF DELCAMBRE, LOUISIANA

Proprietary Fund
Statement of Net Position
April 30, 2026

ASSETS

Current assets:	
Cash and interest bearing deposits	\$ 1,241,875
Accounts receivable, net of allowance	105,205
Due from other governmental agencies	2,151,141
Due from other funds	150,298
Prepaid expenses	7,825
Total current assets	<u>3,656,344</u>
Noncurrent assets:	
Restricted assets -	
Cash	297,156
Interest-bearing deposits	89,867
Capital assets -	
Non-depreciable	5,682,604
Depreciable, net of accumulated depreciation	5,779,314
Total noncurrent assets	<u>11,848,941</u>
Total assets	<u>15,505,285</u>

LIABILITIES

Current liabilities:	
Accounts payable	25,704
Contract payable	2,151,141
Retainage payable	168,724
Compensated absences payable	4,996
Other payables	3,212
Revenue bonds payable	34,259
Due to other funds	43,136
Total current liabilities	<u>2,431,172</u>
Noncurrent liabilities:	
Revenue bonds payable	2,344,738
Customers' deposits	126,612
Total noncurrent liabilities	<u>2,471,350</u>
Total liabilities	<u>4,902,522</u>

NET POSITION

Net investment in capital assets	6,763,056
Restricted	260,411
Unrestricted	3,579,296
Total net position	<u>\$ 10,602,763</u>

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

TOWN OF DECAMBRE, LOUISIANA

Proprietary Fund
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended April 30, 2026

Operating revenues:	
Charges for services	\$ 944,612
Miscellaneous	<u>34,301</u>
Total operating revenues	<u>978,913</u>
Operating expenses:	
Administrative expenses	102,254
Gas department expenses	121,862
Water department expenses	287,016
Sewerage department expenses	244,134
Depreciation	<u>383,710</u>
Total operating expenses	<u>1,138,976</u>
Operating loss	<u>(160,063)</u>
Nonoperating revenues (expenses):	
Grant revenues	3,205,756
Interest income	34,433
Other	22,165
Interest expense	<u>(51,944)</u>
Total nonoperating revenues (expenses)	<u>3,210,410</u>
Change in net position	3,050,347
Net position, beginning	<u>7,552,416</u>
Net position, ending	<u>\$ 10,602,763</u>

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

TOWN OF DELCAMBRE, LOUISIANA

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

Cash flows from operating activities:	
Receipts from customers	\$ 952,373
Payments to suppliers	(564,510)
Payments to employees	(167,195)
Other receipts	<u>34,301</u>
Net cash provided by operating activities	<u>254,969</u>
 Cash flows from noncapital financing activities:	
Payable from other funds	33,943
Other income	<u>22,165</u>
Net cash provided by noncapital financing activities	<u>56,108</u>
 Cash flows from capital and related financing activities:	
Principal payment on bonds	(33,314)
Proceeds from revenue bonds	552,590
Interest paid on bonds	(51,944)
Acquisition of property, plant and equipment	(1,468,521)
Grants and other contributions received	<u>1,078,615</u>
Net cash provided by capital and related financing activities	<u>77,426</u>
 Cash flows from investing activities:	
Interest on investments	<u>34,433</u>
Net cash provided by investing activities	<u>34,433</u>
 Net change in cash and cash equivalents	422,936
 Cash and cash equivalents, beginning of period	<u>1,205,962</u>
 Cash and cash equivalents, end of period	<u>\$ 1,628,898</u>

(continued)

TOWN OF DELCAMBRE, LOUISIANA

Statement of Cash Flows (continued)

Proprietary Fund

Year Ended April 30, 2026

Cash flows from operating activities:

Operating loss	\$ (160,063)
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Adjustments to reconcile operating income to net cash provided by operating activities -

Depreciation	383,710
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(Increase) decrease in operating assets:

Accounts receivable	2,583
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Prepaid expenses	15,415
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Increase (decrease) in operating liabilities:

Accounts payable	7,721
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Customer deposits	5,178
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Other payables	425
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Net cash provided by operating activities	<u>\$ 254,969</u>
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Cash and cash equivalents, beginning of period -

Cash and interest-bearing deposits - unrestricted	880,718
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Cash and interest-bearing deposits - restricted	238,976
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Interest-bearing deposits - restricted	<u>86,268</u>
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Cash and cash equivalents, beginning of period -	<u>\$ 1,205,962</u>
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Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:

Cash and cash equivalents, end of period -

Cash and interest-bearing deposits - unrestricted	1,241,875
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Cash and interest-bearing deposits - restricted	297,156
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Interest-bearing deposits - restricted	<u>89,867</u>
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Total cash and cash equivalents	<u>1,628,898</u>
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Net change	<u>\$ 422,936</u>
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The accompanying notes are an integral part of the basic financial statements.

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

The Town was originally formed as a Village on November 27, 1907. On June 13, 1946, by issuance of the Governor's proclamation and under the provisions of the Lawrson Act, the Village of Delcambre, Louisiana, became the Town of Delcambre, Louisiana. The Town operates under a Mayor-Board of Aldermen form of government. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Town has no such component units.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Fund Financial Statements

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

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

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

The major funds of the Town are described below:

Governmental Funds -

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

The Sales Tax Fund accounts for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

The 2024 Sales Tax Fund accounts for the proceeds of a one percent sales and use tax that is legally restricted to providing funds for public safety in the Town or for any other lawful purpose of the Town.

The Special Fund accounts for the collection and disbursements of funds used for fire protection for the Town.

Proprietary Funds -

Proprietary funds are used to account for ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position, and cash flows.

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Utility Fund

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

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

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

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Program revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the Town's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Town's general revenues.

Allocation of indirect expenses

The Town reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions, but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. When not clearly identifiable with a function, interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

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

Cash and interest-bearing deposits

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Town. For the purpose of the proprietary fund statement of cash flows, "cash and cash

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

equivalents” include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less when purchased.

Investments

Under state law the Town may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Town may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Interfund receivables and payables

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

Receivables

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

Uncollectible ad valorem taxes or utility service receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The Town has estimated that trade accounts receivable that have been unpaid for more than 90 days are uncollectible, and this amount has been established as the allowance for uncollectibles, based upon prior experience. The allowance for uncollectibles for customers’ utility receivables was \$40,181.

Property taxes are levied on October 1 on property values assessed on that date. Notices of tax liability are mailed on or about November 1 of the same year and are due and payable at that time. All unpaid taxes levied become delinquent January 1 of the following year. Property tax revenues are recognized when levied to the extent that they result in current receivables. Current receivables include those property tax receivables expected to be collected within sixty days after year end.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond the end of the Town’s fiscal year are recorded as prepaid items.

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide or financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$1,500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to January 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. Land and construction in progress are not depreciated. The range of estimated useful lives by type of asset is as follows:

Buildings	20-40 years
Improvements other than buildings	20-40 years
Autos and trucks	5-7 years
Other equipment	5-7 years
Gas system	20-40 years
Water system	10-40 years
Sewer system	20-40 years

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

Compensated Absences

All employees in the classified service shall receive one-half (1/2) day of sick leave for each calendar month of service up to a maximum of 21 days overall.

Vacation is earned by full-time employees based upon length of service ranging from 5 days to 20 days. One week of vacation time may be carried over from one anniversary year to the next. All accumulated sick leave shall be forfeited upon termination of employment.

For fund financial statements, earned vacation and sick leave is reported as an expenditure and a liability of the fund that will pay it, when the amount is paid or the Town can reasonably estimate when it will be used. In the government-wide statements, compensated absences are recognized as a liability as the benefits are earned and become

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

usable, measured at the pay rates in effect at year-end. Management has determined that the compensated absences liability recorded at year end is expected to be paid out within one year and, accordingly, is classified as a current liability on the financial statements.

Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary fund that are legally restricted as to their use.

Long-term debt

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

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of revenue bonds payable.

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

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position and or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

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

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

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

- b. Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

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

Fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form (such as inventories and prepaid amounts) or because they are legally or contractually required to be maintained intact.

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

Committed – amounts that can be spent only for specific purposes determined by a formal action of the government's highest level of decision-making authority.

Assigned – amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

Unassigned – all other spendable amounts

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Fund balances are composed of the following:

	General Fund	Sales Tax Fund	2024 Sales Tax Fund	Special Fund	Total Governmental Funds
Nonspendable:					
Prepaid items	\$ 21,859	\$ 4,201	\$ -	\$ 7,376	\$ 33,436
Restricted:					
Fire protection	-	-	-	145,100	145,100
Public safety	-	-	78,493	-	78,493
Public works and building operations and maintenance	-	762,329	-	-	762,329
Unassigned	<u>585,607</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>585,607</u>
Total fund balances	<u>\$ 607,466</u>	<u>\$ 766,530</u>	<u>\$ 78,493</u>	<u>\$ 152,476</u>	<u>\$ 1,604,965</u>

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

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character

Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

F. Revenue Restrictions

The Town has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include the following:

- a. A one percent sales and use tax levied by the Town which is dedicated to opening, constructing, paving, resurfacing and improving streets, sidewalks and bridges; constructing and purchasing street light facilities; constructing and improving drains, drainage canals and sub-surface drainage; constructing and purchasing fire department stations and equipment; constructing and purchasing garbage disposal and health and sanitation equipment and facilities; constructing public buildings; purchasing, constructing and improving public parks and recreational facilities and acquiring the necessary equipment and furnishings therefore; purchasing equipment for civil defense; constructing, acquiring or improving any work of permanent public improvement and purchasing and acquiring all equipment and furnishings for the public works, buildings, improvements and facilities in the Town.
- b. A one percent sales and use tax levied by the Town which is dedicated to providing funds for public safety in the Town and for any other lawful purpose of the Town.

The Town uses unrestricted resources only when restricted resources are fully depleted.

G. Use of Estimates

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

H. Pensions

The net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. Non-employer contributions are recognized as revenues in the government-wide financial statements. In the governmental fund financials, contributions are recognized as expenditures when due.

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

(2) Cash and Interest-Bearing Deposits

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

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

Bank balances	<u>\$ 1,344,419</u>
Deposits are secured as follows:	
Insured deposits	\$ 398,280
Collateral held by the pledging bank's trust department or agent	884,084
Uncollateralized	<u>62,055</u>
Total	<u>\$ 1,344,419</u>

(3) Investments

The Town has investments held by Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment of the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955. The Town has \$1,975,593 on deposit with LAMP which is reported as cash and interest-bearing deposits.

Accounting standards require disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with accounting standards. The following facts are relevant for the investment pools:

- Credit risk: LAMP is rated AAAm by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that makes up the pool; therefore, no disclosure is required.

- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity date in excess of 397 days or 762 days for U.S. Government floating/variable rate investments.
- Foreign currency risk: Not applicable.

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

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

(4) Aged Accounts Receivable

The aging of enterprise fund accounts receivable before allowance for doubtful accounts is as follows:

Current	\$ 72,979
Over 30 days	17,328
Over 60 days	1,575
Over 90 days	53,504
Total	<u>\$ 145,386</u>

(5) Restricted Assets - Proprietary Fund Type (Enterprise Utility Fund)

Restricted assets consisted of:

Customer deposits	\$ 126,612
Revenue bonds contingency funds	41,292
Revenue bonds sinking fund	22,064
Revenue bonds reserve funds	107,188
Interest-bearing deposits	89,867
Total restrict assets	<u>\$ 387,023</u>

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

(6) Capital Assets

Capital asset activity was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 467,819	\$ -	\$ -	\$ 467,819
Other capital assets:				
Buildings	580,171	-	-	580,171
Improvements other than buildings	2,089,438	-	-	2,089,438
Autos and trucks	707,731	-	-	707,731
Other equipment	639,956	48,280	2,120	686,116
Totals	<u>4,485,115</u>	<u>48,280</u>	<u>2,120</u>	<u>4,531,275</u>
Less accumulated depreciation				
Buildings	455,100	12,769	-	467,869
Improvements other than buildings	1,074,239	62,392	-	1,136,631
Autos and trucks	629,039	26,760	-	655,799
Other equipment	480,065	43,300	1,466	521,899
Total accumulated depreciation	<u>2,638,443</u>	<u>145,221</u>	<u>1,466</u>	<u>2,782,198</u>
Governmental activities, capital assets, net	<u>\$ 1,846,672</u>	<u>\$ (96,941)</u>	<u>\$ 654</u>	<u>\$ 1,749,077</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,644,182	\$ -	\$ -	\$ 1,644,182
Construction in progress	448,303	3,760,199	170,080	4,038,422
Other capital assets:				
Gas system	1,945,692	-	-	1,945,692
Water system	6,963,965	170,080	-	7,134,045
Sewer system	3,533,399	18,611	-	3,552,010
Other equipment	261,642	1,193	4,387	258,448
Totals	<u>14,797,183</u>	<u>3,950,083</u>	<u>174,467</u>	<u>18,572,799</u>
Less accumulated depreciation				
Gas system	1,400,555	43,582	-	1,444,137
Water system	2,808,314	214,570	-	3,022,884
Sewer system	2,364,530	108,732	-	2,473,262
Other equipment	158,159	16,826	4,387	170,598
Total accumulated depreciation	<u>6,731,558</u>	<u>383,710</u>	<u>4,387</u>	<u>7,110,881</u>
Business-type activities, capital assets, net	<u>\$ 8,065,625</u>	<u>\$ 3,566,373</u>	<u>\$ 170,080</u>	<u>\$ 11,461,918</u>

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Depreciation expense was charged to governmental activities as follows:

General government	\$ 41,946
Public safety	53,648
Public works	<u>49,627</u>
Total depreciation expense	<u>\$ 145,221</u>

Depreciation expense was charged to business-type activities as follows:

Gas	\$ 43,582
Water	214,570
Sewer	108,732
Other equipment	<u>16,826</u>
Total depreciation expense	<u>\$ 383,710</u>

(7) On-behalf Payments

The Town has recognized \$24,520 as a revenue and an expenditure for on-behalf salary payments made by the State of Louisiana.

(8) Changes in Long-Term Debt

Long term liabilities at April 30, 2026 are comprised of the following individual issues:

Governmental activities –

Direct borrowing bonds payable:

Bonds payable to USDA Rural Development, dated May 18, 2005, original amount of \$110,000, bearing interest of 4.25%, maturing on May 18, 2030.	<u>\$ 26,724</u>
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TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Business-type activities –

Direct borrowing revenue bond payable:

\$1,722,000 Water revenue Bonds, Series 2020, issued May 16, 2019, due in monthly installments of \$6,010 over forty years through 2059; interest at 2.75% \$ 1,560,649

\$291,000 Water revenue Bonds, Series 2020, issued May 16, 2019, due in monthly installments of \$1,077 over forty years through 2059; interest at 3.125% \$ 265,758

\$3,500,000 Sewer Revenue Bond (DEQ), Series 2025, issued June 18, 2025, bearing interest of 0.95%, maturing on December 1, 2045. \$ 552,590

During the year, the Town issued a \$3,500,000 Sewer Revenue Bond (DEQ), Series 2025 for the purpose of financing the constructing and acquiring extensions, improvements and replacements to the sewer system. The Town is permitted to draw on these funds as construction occurs. As of April 30, 2026, the Town has drawn \$552,590 of these funds and \$2,947,410 is available to be drawn. Repayment of the debt will not be scheduled until the completion of the construction project or once all available funds have been drawn, whichever comes first.

The annual requirement to amortize all debt outstanding is as follows:

Year Ending April 30,	Governmental Activities		Business-type Activities		Total
	Principal payments	Interest payments	Principal payments	Interest payments	
2027	\$ 6,312	\$ 1,014	\$ 34,259	\$ 50,785	\$ 92,370
2028	6,585	741	35,231	49,813	92,370
2029	6,871	456	36,231	48,813	92,371
2030	6,856	157	37,259	47,785	92,057
2031	100	-	38,317	46,727	85,144
2032 to 2036	-	-	208,527	216,693	425,220
2037 to 2041	-	-	239,858	185,362	425,220
2042 to 2046	-	-	275,910	149,310	425,220
2047 to 2051	-	-	317,393	107,827	425,220
2052 to 2056	-	-	365,129	60,091	425,220
2057 to 2061	-	-	238,293	10,176	248,469
Totals	<u>\$ 26,724</u>	<u>\$ 2,368</u>	<u>\$ 1,826,407</u>	<u>\$ 973,382</u>	<u>\$ 2,828,881</u>

In the event that the above water revenue bonds are in default, the bonding agency has the right to compel the performance of all duties, including the fixing, charging, and collecting of rentals, fees or other charges for the use of the System. The Bond owner may also appoint an agent to take possession of the

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

System to hold, operate, maintain, manage and control the System in the name of the bond owner. This agent shall collect and receive all fees, rentals, and other revenues, maintain and operate the System in a manner to compensate the bond issuer for the amount owed, until the bond is repaid in full. The other bonds contain no monetary default provisions.

The following is a summary of changes in long-term debt of the Town:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable -					
USDA Rural Development					
Series 2005	<u>\$ 32,774</u>	<u>\$ -</u>	<u>\$ 6,050</u>	<u>\$ 26,724</u>	<u>\$ 6,312</u>
Business-type activities:					
Water Revenue Bonds					
Series 2020	<u>\$ 1,589,421</u>	<u>\$ -</u>	<u>\$ 28,772</u>	<u>\$ 1,560,649</u>	<u>\$ 29,573</u>
Water Revenue Bonds					
Series 2020	<u>\$ 270,300</u>	<u>\$ -</u>	<u>\$ 4,542</u>	<u>\$ 265,758</u>	<u>\$ 4,686</u>
Sewer Revenue Bond					
(DEQ) Series 2025	<u>\$ -</u>	<u>\$ 552,590</u>	<u>\$ -</u>	<u>\$ 552,590</u>	<u>\$ -</u>

(9) Compensated Absences

Compensated absences consist of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental activities:				
Compensated absences**	<u>\$ 15,540</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,540</u>
Business type activities:				
Compensated absences**	<u>\$ 4,996</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,996</u>

** The change in the compensated absences liability is presented as a net change

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

(10) Employee Retirement

The Town is a participating employer in a cost-sharing defined benefit pension plan. The plan is administered by the Municipal Police Employee's Retirement System of Louisiana (MPERS).

The retirement system issues an annually publicly available stand-alone report on the financial statements and required supplementary information. The report may be obtained on the retirement system's website or on the Louisiana Legislative Auditor's website as follows:

Municipal Police Employees' Retirement System – www.mpersla.com
Louisiana Legislative Auditor – www.la.la.gov

Plan description:

Municipal Police Employees' Retirement System of Louisiana (MPERS)

Eligibility Requirements: Membership in the MPERS 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.

Retirement Benefits: Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. 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.

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. 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.

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

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 25 to 55% of the member's average final compensation for the surviving spouse. Surviving spouses of active members killed in the line of duty under the Hazardous Duty sub plan shall receive a benefit equal to 100% of the member's average final compensation less any surviving benefits payable to surviving children. In addition, each child under age 18 receives 10% of average final compensation or \$200 per month whichever is greater. If the deceased member had less than 10 years of service, the beneficiary will receive a refund of employee contributions only.

Cost of Living Adjustments: Under Act 170 of the 2013 Regular Session of the Legislature, the Board of Trustees may not take action to authorize a COLA during any calendar year prior to the end of the legislative session for that year, during the first six months of any year, or in any calendar year in which the legislature has granted a COLA unless the legislation granting such COLA specifically allows the Board to also take COLA action.

Pursuant to R.S. 11:2225.5, the Board of Trustees may provide a nonrecurring lump sum payment (subject to frequency limitations) or permanent benefit increase only from funds set aside in the System's funding deposit account. The funding deposit account may be credited with up to 0.85% of plan payroll in any year in which the Board of Trustees elects to require that employers contribute an amount in excess of the rate determined under R.S. 11:103. In such years as the Board sets the employer contribution rate above the rate determined under R.S. 11:103 (the minimum net direct actuarially determined employer contribution rate) for the purpose of funding additional benefits for retirees, survivors, and beneficiaries, a contribution to the funding deposit account will be determined within the system's actuarial valuation. The funds in the account shall earn interest annually at the board approved valuation interest rate.

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' plan participation. 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 60 months or less for those employees who enter DROP subsequent to June 30, 2024. Prior to June 30, 2024, the duration of participation in the DROP was 36 months or less. Any employee who began participation in the DROP on or before June 30, 2024, who elected a participation of 36 months, and is participating in the plan on July

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

1, 2025, may elect to extend participation in the DROP for a total participation of not more than 60 months. If employment is terminated after the DROP 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 but before July 1, 2019, 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 and earn interest at the money market rate. If the member elects a money market investment account, the funds are transferred to a government money market account. Pursuant to Act 78 of the 2019 Regular Session of the Louisiana Legislature, DROP members can self-direct their DROP funds. For those members who elected to self-direct their DROP funds, the System transferred lump sum distributions to a third party. The third-party acts as an agent of the System to allow participants to self-direct the investment of their lump sum balances. Participants can irrevocably elect to participate in the self-directed portion of the program.

Initial Benefit Option Plan: 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.

Funding policy:

Employer Contributions: According to state statute, contribution requirements for all employers are actuarially determined each year for MPERS. The contribution rates in effect for the year for the Town were as follows:

	<u>Employer</u>
Municipal Police Employees' Retirement System of Louisiana	
Hired prior to 1/1/2013	35.600%
Hazardous Duty Members hired after 1/1/2013	35.600%
Non Hazardous Duty Members hired after 1/1/2013	35.600%
Earnable compensation is below poverty limit	38.100%

In accordance with state statute, the Systems receive ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue and excluded from pension expense. The Town recognized non-employer contributions of \$3,733.

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The Town reported a liability of \$86,934 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Town's proportion was .013%, a 0.008% increase from its proportion measured as of the prior period.

The Town recognized pension expense of \$34,292 net of employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions.

The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between expected and actual experiences	\$ 4,215	\$ 2,300
Changes of assumptions	-	3,993
Net difference between projected and actual earnings on pension plan investments	-	6,848
Change in proportion and differences between Employer contributions and proportionate share of contributions	55,206	1,092
Employer contributions subsequent to the measurement date	21,742	-
Total	\$ 81,163	\$ 14,233

Deferred outflows of resources of \$21,742 related to pensions resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended	
4/30/2027	\$ 28,727
4/30/2028	8,460
4/30/2029	10,870
4/30/2030	(2,869)
Total	\$ 45,188

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Actuarial Methods and Assumptions

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

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

Valuation Date	June 30, 2025
Actuarial Cost Method	Entry Age Normal Cost
Investment Rate of Return	6.750%, net of investment expense
Expected Remaining Service Lives	4 years
Inflation Rate	2.50%
Projected Salary Increases	1 - 2 years of service 13.00%; Above 2 years of service 4.75%
Mortality Rates	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.

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.

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

The mortality rate assumption used was set based upon an experience study for the period of July 1, 2019 through June 30, 2024. A change was made full generational mortality which combines the use of a base mortality table with appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combined with a standard table to produce current levels of mortality.

The 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 weighing 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 long-term rate of return is 8.12% for the year ended June 30, 2025.

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

Asset Class	Expected Rate of Return	
	Target Allocation	Long-term Portfolio Real Rate of Return
Equity	51.00%	3.20%
Fixed Income	35.00%	1.21%
Alternatives	14.00%	1.04%
Totals	100%	5.45%
Inflation		2.67%
Expected Arithmetic Return		8.12%

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

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Sensitivity to Changes in Discount Rate:

The following presents the net pension liability of the Town's net pension liability, using the discount rate of 6.75%, as well as what the Town's 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.

	Changes in Discount Rate:		
	1.0% Decrease 5.75%	Current Discount Rate 6.75%	1.0% Increase 7.75%
Employer's proportionate share of the net pension liability	\$ 142,601	\$ 86,934	\$ 40,315

(11) Commitments and Contingencies

Litigation

The Town is subject to various lawsuits and claims, many of which arise in the normal course of business. Although their outcome is not presently determinable, it is the opinion of legal counsel that resolution of these matters will not have a material effect on the financial condition of the Town.

Construction

The Town had one uncompleted construction contract in the Utility Fund. The remaining commitment on this contract was approximately \$7,666,479.

(12) Risk Management

The Town is exposed to risks of loss in the areas of health care, general and auto liability, property hazards, and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. The Town has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

(13) Interfund Transactions

A. A summary of interfund receivables and payables follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental funds:		
General Fund	\$ 78,124	\$ 141,411
Sales Tax Special Revenue Fund	43,804	75,049
Special Fund	<u>3,522</u>	<u>16,152</u>
Total governmental funds	125,450	232,612
Proprietary fund:		
Enterprise Fund	<u>150,298</u>	<u>43,136</u>
Total	<u>\$ 275,748</u>	<u>\$ 275,748</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

B. Transfers consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental funds:		
General Fund	\$ 288,000	\$ -
2024 Sales Tax Fund	-	320,000
Special Fund	<u>32,000</u>	<u>-</u>
Total governmental funds	<u>\$ 320,000</u>	<u>\$ 320,000</u>

(14) Upcoming Accounting Pronouncements

In April 2024, the Governmental Accounting Standards Board issued Statement No. 103, Financial Reporting Model Improvements. GASB 103 is effective for fiscal years beginning after June 15, 2025, and will revise certain financial reporting requirements, including the management's discussion and analysis, the presentation of proprietary fund financial statements, budgetary comparisons, and reporting of unusual or infrequent items. The Town has not yet determined the effect, if any, that the adoption of this statement will have on its financial statements.

In September 2024, the Governmental Accounting Standards Board issued Statement No. 104, Disclosure of Certain Capital Assets. GASB 104 is effective for fiscal years beginning after June 15, 2025, and enhances existing capital asset disclosure requirements. The statement clarifies disclosure requirements for lease assets, intangible right-to-use assets, other intangible assets, and capital assets held for sale. The Town has not yet evaluated the effect, if any, that adoption of this statement will have on its financial statements.

**REQUIRED
SUPPLEMENTARY INFORMATION**

TOWN OF DELCAMBRE, LOUISIANA
General Fund

Budgetary Comparison Schedule
Year Ended April 30, 2026

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 43,600	\$ 48,000	\$ 50,706	\$ 2,706
Licenses and permits	58,200	49,100	92,104	43,004
Intergovernmental	27,400	38,500	40,946	2,446
Charges for services, fines and forfeitures	214,000	155,000	159,897	4,897
Interest	20,100	18,100	18,209	109
Other	202,550	223,570	198,233	(25,337)
Total revenues	<u>565,850</u>	<u>532,270</u>	<u>560,095</u>	<u>27,825</u>
Expenditures:				
Current -				
General government	106,800	128,099	141,719	(13,620)
Public safety	503,802	513,819	522,355	(8,536)
Public works	46,000	55,800	58,091	(2,291)
Capital outlays	25,000	44,000	38,462	5,538
Debt service	7,200	7,200	7,326	(126)
Total expenditures	<u>688,802</u>	<u>748,918</u>	<u>767,953</u>	<u>(19,035)</u>
Deficiency of revenues over expenditures	<u>(122,952)</u>	<u>(216,648)</u>	<u>(207,858)</u>	<u>8,790</u>
Other financing sources:				
Transfers in	<u>262,800</u>	<u>288,000</u>	<u>288,000</u>	<u>-</u>
Net change in fund balance	139,848	71,352	80,142	8,790
Fund balance, beginning	<u>527,324</u>	<u>527,324</u>	<u>527,324</u>	<u>-</u>
Fund balance, ending	<u>\$ 667,172</u>	<u>\$ 598,676</u>	<u>\$ 607,466</u>	<u>\$ 8,790</u>

TOWN OF DELCAMBRE, LOUISIANA
Sales Tax Fund

Budgetary Comparison Schedule
Year Ended April 30, 2026

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 288,000	\$ 306,400	\$ 317,080	\$ 10,680
Intergovernmental	10,400	10,500	24,349	13,849
Charges for services	33,000	32,700	32,662	(38)
Interest	18,000	21,000	20,771	(229)
Other	-	2,000	1,495	(505)
Total revenues	<u>349,400</u>	<u>372,600</u>	<u>396,357</u>	<u>23,757</u>
Expenditures:				
Current -				
General government	38,520	28,600	28,865	(265)
Public works	208,321	236,101	225,271	10,830
Capital outlay	<u>22,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>268,841</u>	<u>264,701</u>	<u>254,136</u>	<u>10,565</u>
Excess of revenues over expenditures	<u>80,559</u>	<u>107,899</u>	<u>142,221</u>	<u>34,322</u>
Net change in fund balance	80,559	107,899	142,221	34,322
Fund balance, beginning	<u>624,309</u>	<u>624,309</u>	<u>624,309</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 704,868</u></u>	<u><u>\$ 732,208</u></u>	<u><u>\$ 766,530</u></u>	<u><u>\$ 34,322</u></u>

TOWN OF DELCAMBRE, LOUISIANA
2024 Sales Tax Fund

Budgetary Comparison Schedule
Year Ended April 30, 2026

	<u>Budget</u>		<u>Actual</u>	<u>Variance - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 292,000	\$ 295,000	\$ 313,315	\$ 18,315
Other financing uses:				
Transfers out	<u>(292,000)</u>	<u>(320,000)</u>	<u>(320,000)</u>	<u>-</u>
Net change in fund balance	-	(25,000)	(6,685)	18,315
Fund balance, beginning	<u>85,178</u>	<u>85,178</u>	<u>85,178</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 85,178</u></u>	<u><u>\$ 60,178</u></u>	<u><u>\$ 78,493</u></u>	<u><u>\$ 18,315</u></u>

TOWN OF DELCAMBRE, LOUISIANA
Special Fund

Budgetary Comparison Schedule
Year Ended April 30, 2026

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 52,400	\$ 53,000	\$ 44,346	\$ (8,654)
Intergovernmental	77,400	46,500	50,028	3,528
Interest	4,000	5,000	4,952	(48)
Other	<u>-</u>	<u>24,000</u>	<u>26,885</u>	<u>2,885</u>
Total revenue	<u>133,800</u>	<u>128,500</u>	<u>126,211</u>	<u>(2,289)</u>
Expenditures:				
Current -				
Public safety	118,645	126,300	129,156	(2,856)
Capital outlay	<u>35,000</u>	<u>10,000</u>	<u>9,818</u>	<u>182</u>
Total expenditures	<u>153,645</u>	<u>136,300</u>	<u>138,974</u>	<u>(2,674)</u>
Deficiency of revenues over over expenditures	(19,845)	(7,800)	(12,763)	(4,963)
Other financing uses:				
Transfers in	<u>29,200</u>	<u>32,000</u>	<u>32,000</u>	<u>-</u>
Net change in fund balance	9,355	24,200	19,237	(4,963)
Fund balance, beginning	<u>133,239</u>	<u>133,239</u>	<u>133,239</u>	<u>-</u>
Fund balance, ending	<u>\$ 142,594</u>	<u>\$ 157,439</u>	<u>\$ 152,476</u>	<u>\$ (4,963)</u>

TOWN OF DELCAMBRE, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
Municipal Police Employees' Retirement System
For the Year Ended April 30, 2026

* Year ended April 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer 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
2023	0.003%	\$ 25,769	\$ 7,782	331.14%	70.80%
2024	0.005%	\$ 53,776	\$ 17,242	311.89%	71.30%
2025	0.005%	\$ 43,787	\$ 17,037	257.01%	75.84%
2026	0.013%	\$ 86,934	\$ 47,188	184.23%	81.94%

* The amounts presented have a measurement date of June 30.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

TOWN OF DELCAMBRE, LOUISIANA

Schedule of Employer Contributions
Municipal Police Employees' Retirement System
For the Year Ended April 30, 2026

Year ended April 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2023	\$ 5,388	\$ 5,388	\$ -	\$ 17,242	31.25%
2024	\$ 3,865	\$ 3,865	\$ -	\$ 11,393	33.93%
2025	\$ 15,001	\$ 15,001	\$ -	\$ 42,549	35.26%
2026	\$ 25,402	\$ 25,402	\$ -	\$ 75,222	33.77%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

TOWN OF DELCAMBRE, LOUISIANA

Notes to the Required Supplementary Information

(1) Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The Town Clerk prepares a proposed operating budget for the fiscal year and submits it to the Mayor and Board of Aldermen not later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Board of Aldermen.

At April 30, 2026, the General Fund, 2024 Sales Tax Fund, and Special Fund reported expenditures in excess of appropriations.

TOWN OF DELCAMBRE, LOUISIANA

Notes to the Required Supplementary Information

(2) Pension Plan

Changes of Benefit Terms –

There were no changes of benefit terms.

Changes of Assumptions –

* Year ended April 30,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Lives	Projected Salary Increase	
					Lower Range	Upper Range
2023	6.75%	6.75%	2.500%	4	4.70%	12.30%
2024	6.75%	6.75%	2.500%	4	4.70%	12.30%
2025	6.75%	6.75%	2.500%	4	4.70%	12.30%
2026	6.75%	6.75%	2.500%	4	4.75%	13.00%

* The amounts presented have a measurement date of June 30.

SUPPLEMENTARY INFORMATION

TOWN OF DELCAMBRE, LOUISIANA
Schedules of Compensation

Year Ended April 30, 2026

Schedule of Compensation, Benefits, and Other Payments to
Agency Head: Christopher Esponge, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	<u>\$ 7,200</u>

Schedule of Compensation to Town Aldermen

Bryan Glatter	107 N. Railroad, Delcambre, LA 70528	January 1, 2025 - December 31, 2028	\$ 2,400
Steve Broussard	107 N. Railroad, Delcambre, LA 70528	January 1, 2025 - December 31, 2028	2,400
Garrett Frederick	107 N. Railroad, Delcambre, LA 70528	January 1, 2025 - December 31, 2028	2,400
Cody Trahan	107 N. Railroad, Delcambre, LA 70528	January 1, 2025 - December 31, 2028	2,400
Tevin Lewis	107 N. Railroad, Delcambre, LA 70528	January 1, 2025 - December 31, 2028	2,400
			<u>\$ 12,000</u>

TOWN OF DELCAMBRE, LOUISIANA
Justice System Funding Schedule
Collecting/Disbursing Entity
Year Ended April 30, 2026

	First Six Month Period Ended 10/31/2025	Second Six Month Period Ended 4/30/2026
Cash Basis Presentation as Required by La. R.S. 24:515.2		
1. Beginning Cash Balance	-	-
2. Collections		
a. Civil Fees	-	-
b. Bond Fees	-	-
c. Cash Bonds	-	-
d. Asset Forfeiture/Sale	-	-
e. Pre-Trial Diversion Program Fees	-	-
f. Criminal Court Costs/Fees	19,018	11,513
g. Criminal Fines – Contempt	-	-
h. Criminal Fines – Other/Non-Contempt	56,321	45,929
i. Restitution	-	-
j. Probation/Parole/Supervision Fees	-	-
k. Service Fees	-	-
l. Collection Fees	-	-
m. Interest Earnings on Collected Balances	-	-
n. Other	-	-
Total Collected	75,339	57,442
3. Deductions: Collections Retained by the Town of Delcambre		
I. Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
II. Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
III. Other Amounts "Self-Disbursed"	-	-
a. Civil Fees	-	-
b. Bond Fees	-	-
c. Cash Bonds	-	-
d. Asset Forfeiture/Sale	-	-
e. Pre-Trial Diversion Program Fees	-	-
f. Criminal Court Costs/Fees	10,436	5,508
g. Criminal Fines – Contempt	-	-
h. Criminal Fines – Other/Non-Contempt	56,321	45,929
i. Restitution	-	-
j. Probation/Parole/Supervision Fees	-	-
k. Service Fees	-	-
l. Collection Fees [excluding amounts reported in bullets I and II above]	-	-
m. Interest Earnings on Collected Balances	-	-
n. Other	-	-
Total Collections Retained by the Town of Delcambre	66,757	51,437
4. Deductions: Amounts disbursed to individuals and Entities, Excluding Governments and Nonprofits		
a. Collection/Processing Fees Paid to Third Party Entities	-	-
b. Civil Fee Refunds	-	-
c. Bond Refunds	-	-
d. Restitution Disbursements to Individuals and Entities, Excluding Governments or a Nonprofit	-	-
e. Other Disbursements to Individuals and Entities, Excluding Governments or a Nonprofit	-	-
Total Amounts Disbursed to Individuals and Entities, Excluding Governments and Nonprofits	-	-
5. Deductions: Total Disbursements to Other Governments and Nonprofits		
LA Department of Health - Criminal Court Costs/Fees	405	330
16th Judicial District Public Defender - Criminal Court Costs/Fees	2,663	1,807
LA Commission on Law Enforcement and Administration of Criminal Justice - Criminal Court Costs/Fees	710	482
LA Supreme Court - Criminal Court Costs/Fees	177	251
Criminalistics Laboratory Acadiana - Criminal Court Costs/Fees	3,590	2,410
Departments of the Treasury - Criminal Court Costs/Fees	355	241
Iberia Crime Stoppers Inc - Criminal Court Costs/Fees	682	484
Total Disbursements to Other Governments and Nonprofits	8,582	6,005
6. Total Amounts Disbursed/Retained	75,339	57,442
7. Ending Cash Balance	-	-
8. Ending Balance of "Partial Payments" Collected but not Disbursed	-	-
Other Information:		
I. Ending Balance of Amounts Assessed by Not Yet Collected	270,950	297,492
II. Total Waivers During the Fiscal Period	-	-

OTHER INFORMATION

TOWN OF DELCAMBRE, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers and Rates

April 30, 2026 and 2025

Records maintained by the Town indicated the following number of customers were being serviced during the month of April 30, 2026 and 2025:

<u>Department</u>	<u>2026</u>	<u>2025</u>
Gas	332	324
Water	813	807
Sewerage	749	750

The monthly water rates of the Town are as follows:

Residential:	
	\$22.50 per month for the first 3,000 gallons or less, then \$5.00 per 1,000 gallons or part thereof for all over 3,000 gallons.
Commercial	\$25.27 - \$407.64

The monthly sewer rates of the Town are as follows:

Residential:	
	\$35.50 per month for the first 3,000 gallons or less, then \$2.90 per portion thereof over 3,000 gallons
Commercial	\$39.08 - \$280.01

TOWN OF DELCAMBRE, LOUISIANA

Proprietary Fund
Comparative Statement of Net Position
April 30, 2026 and 2025

	<u>2026</u>	<u>2025</u>
ASSETS		
Current assets:		
Cash and interest bearing deposits	\$ 1,241,875	\$ 880,718
Accounts receivable, net of allowance	105,205	107,788
Due from other governmental agencies	2,151,141	24,000
Due from other funds	150,298	150,298
Prepaid expenses	<u>7,825</u>	<u>23,240</u>
Total current assets	<u>3,656,344</u>	<u>1,186,044</u>
Noncurrent assets:		
Restricted assets -		
Cash	297,156	238,976
Interest-bearing deposits	89,867	86,268
Capital assets -		
Non-depreciable	5,682,604	2,092,485
Depreciable, net of accumulated depreciation	<u>5,779,314</u>	<u>5,973,140</u>
Total noncurrent assets	<u>11,848,941</u>	<u>8,390,869</u>
Total assets	<u>15,505,285</u>	<u>9,576,913</u>
LIABILITIES		
Current liabilities:		
Accounts payable	25,704	17,983
Contract payable	2,151,141	-
Retainage payable	168,724	8,383
Compensated absences payable	4,996	4,996
Other payables	3,212	2,787
Revenue bonds payable	34,259	33,314
Due to other funds	<u>43,136</u>	<u>9,193</u>
Total current liabilities	<u>2,431,172</u>	<u>76,656</u>
Noncurrent liabilities:		
Water revenue bonds payable	2,344,738	1,826,407
Customers' deposits	<u>126,612</u>	<u>121,434</u>
Total noncurrent liabilities	<u>2,471,350</u>	<u>1,947,841</u>
Total liabilities	<u>4,902,522</u>	<u>2,024,497</u>
NET POSITION		
Net investment in capital assets	6,763,056	6,197,521
Restricted	260,411	203,810
Unrestricted	<u>3,579,296</u>	<u>1,151,085</u>
Total net position	<u>\$ 10,602,763</u>	<u>\$ 7,552,416</u>

TOWN OF DELCAMBRE, LOUISIANA
Proprietary Fund
Utility Fund

Comparative Departmental Analysis of Operating Revenues and Expenses
Years Ended April 30, 2026 and 2025

	Administrative		Gas		Water		Sewer		Totals	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Operating revenues:										
Charges for services	\$ -	\$ -	\$ 240,109	\$ 249,827	\$ 322,677	\$ 337,755	\$ 381,826	\$ 357,864	\$ 944,612	\$ 945,446
Other revenues	<u>28,503</u>	<u>26,225</u>	<u>1,747</u>	<u>2,255</u>	<u>3,976</u>	<u>1,325</u>	<u>75</u>	<u>20</u>	<u>34,301</u>	<u>29,825</u>
Total operating revenues	<u>28,503</u>	<u>26,225</u>	<u>241,856</u>	<u>252,082</u>	<u>326,653</u>	<u>339,080</u>	<u>381,901</u>	<u>357,884</u>	<u>978,913</u>	<u>975,271</u>
Operating expenses:										
Salaries	71,633	73,636	22,592	10,342	36,485	23,628	36,485	23,624	167,195	131,230
Fuel purchased	-	-	38,370	42,618	-	-	-	-	38,370	42,618
Insurance	1,943	2,184	1,386	821	48,087	31,312	18,301	8,913	69,717	43,230
Insurance - employees	13,876	12,261	6,080	3,859	7,380	3,859	2,632	-	29,968	19,979
Materials and supplies	-	-	13,441	19,062	34,707	31,313	7,530	11,610	55,678	61,985
Depreciation	-	-	43,582	43,582	221,230	219,145	118,898	116,852	383,710	379,579
Repairs and maintenance	-	-	8,642	14,767	86,526	23,270	78,585	50,707	173,753	88,744
Professional fees	4,840	3,020	16,182	17,113	40,561	35,956	18,364	19,171	79,947	75,260
Utilities	1,920	1,690	-	-	29,153	27,828	30,099	24,223	61,172	53,741
Payroll taxes	4,795	5,005	1,528	607	3,037	1,890	3,036	1,903	12,396	9,405
Miscellaneous	<u>3,247</u>	<u>1,678</u>	<u>13,641</u>	<u>6,512</u>	<u>1,080</u>	<u>1,214</u>	<u>49,102</u>	<u>5,158</u>	<u>67,070</u>	<u>14,562</u>
Total operating expenses	<u>102,254</u>	<u>99,474</u>	<u>165,444</u>	<u>159,283</u>	<u>508,246</u>	<u>399,415</u>	<u>363,032</u>	<u>262,161</u>	<u>1,138,976</u>	<u>920,333</u>
Net operating income/(loss)	<u>\$ (73,751)</u>	<u>\$ (73,249)</u>	<u>\$ 76,412</u>	<u>\$ 92,799</u>	<u>\$ (181,593)</u>	<u>\$ (60,335)</u>	<u>\$ 18,869</u>	<u>\$ 95,723</u>	<u>\$ (160,063)</u>	<u>\$ 54,938</u>

TOWN OF DELCAMBRE, LOUISIANA

Schedule of Insurance in Force

Year Ended April 30, 2026

Insurer	Assets Covered	Risks Covered	Limits of Coverage (in Dollars)	Expiration Date
LMA		General Liability	500,000	5/1/2027
		Professional Public		
		Employment Practice	500,000	5/1/2027
		Law Enforcement	500,000	5/1/2027
		Auto Liability	500,000	5/1/2027
Indian Harbor		Employment Practices/ Public Officials	1,000,000	5/1/2027
Wright National Flood	Town Hall: Building	Flood damage	303,000	2/19/2027
	Contents	Flood damage	111,000	2/20/2027
Bridgeway	Property		1,779,900	5/1/2027
Houston Speciality	Auto	Physical Damage (Comp/Collision Only)	260,341	5/1/2027
Travelers	Equipment		296,774	5/1/2027
	Bond	Crime	250,000	5/1/2027
Merchants Bonding	Mayor	Dishonesty Bond	10,000	9/21/2026
	City Council Members (5)	Dishonesty Bond	5,000	9/21/2026
	Police Clerk	Dishonesty Bond	10,000	9/21/2026
	Tax Collector	Dishonesty Bond	10,000	9/21/2026
	City Clerk	Dishonesty Bond	10,000	9/21/2026

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Christopher Esponge, Mayor
and members of the Board of Aldermen
Town of Delcambre, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, and each major fund of the Town of Delcambre (Town), as of and for the year ended April 30, 2026, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated September 14, 2026.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2026-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Governmental Auditing Standards* and which is described in the accompanying schedule of current and prior year audit findings and management's corrective action as item 2026-002.

Town of Delcambre's Response to Findings

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

Purpose of this Report

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
September 14, 2026

KOLDER, SLAVEN & COMPANY, LLC

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

The Honorable Christopher Esponge, Mayor
and members of the Board of Aldermen
Town of Delcambre, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Town of Delcambre's (Town) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended April 30, 2026. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2026.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements tested above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance 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. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material

noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purposes described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
September 14, 2026

TOWN OF DELCAMBRE, LOUISIANA

Schedule of Expenditures of Federal Awards
For the Year Ended April 30, 2026

Federal Grantor/Pass-Through Grantor/Program Name	Assistance Listing Number	State Pass-Through Entity Identifying Number	Expenditures
United States Department of Transportation - Passed through Louisiana Highway Safety Commission: <u>Highway Safety Cluster</u>			
State and Community Highway Safety	20.600	2025-35-62	\$ 1,956
Total Highway Safety Cluster			1,956
Total United States Department of Transportation			1,956
United States Department of the Treasury - Passed through Louisiana Division of Administration, Office of Community Development:			
Coronavirus State and Local Fiscal Recovery Funds - COVID-19	21.027	LAWSP10914	3,205,756
Total United States Department of the Treasury			3,205,756
TOTAL FEDERAL AWARDS			\$ 3,207,712

TOWN OF DELCAMBRE, LOUISIANA

Notes to Schedule of Expenditures of Federal Awards
Year Ended April 30, 2026

(1) General

The accompanying schedule of expenditures of federal awards (Schedule) includes federal award activity of Town of Delcambre (Town) under programs of the federal government for the year ended April 30, 2026. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting which is described in Note 1 to the Town's basic financial statements for the year ended April 30, 2026. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Indirect Cost Rate

The Town has elected not to use the 15 percent de minimis indirect cost rate allowed under the Uniform Guidance.

TOWN OF DELCAMBRE, LOUISIANA

Schedule of Findings and Questioned Costs
Year Ended April 30, 2026

Part I. Summary of Auditor's Results:

Financial Statements -

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiencies identified?	<u> X </u> Yes	<u> </u> None reported
Noncompliance material to financial statements noted?	<u> X </u> Yes	<u> </u> No

Federal Awards -

Type of auditor's report issued on compliance for major programs:	Unmodified	
Internal control over major programs:		
Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiencies identified?	<u> </u> Yes	<u> X </u> None reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) of the Uniform Guidance?	<u> </u> Yes	<u> X </u> No

Major programs -

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds - COVID-19
Dollar Threshold used to distinguish between Type A and Type B programs:	\$1,000,000
Auditee qualified as a low-risk auditee:	<u> </u> Yes <u> X </u> No

TOWN OF DELCAMBRE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
Year Ended April 30, 2026

Part II. Findings which are required to be reported in accordance with generally accepted *Governmental Auditing Standards*:

A. Internal Control Findings -

There are internal control findings reported. See item 2026-001 in the schedule of current and prior audit findings and management's corrective action plan.

B. Compliance Findings -

There are compliance findings reported. See item 2026-002 in the schedule of current and prior audit findings and management's corrective action plan.

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in 2 CFR section 200 of the Uniform Guidance:

There are no findings to be reported under this section.

TOWN OF DELCAMBRE, LOUISIANA

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

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

A. Internal Control Over Financial Reporting

2026-001 Utility Cutoff Procedures

CONDITION: Audit procedures identified certain utility customer accounts with past-due balances that remained active beyond the cutoff date established by the Town's utility cutoff policy. The related utility services were not disconnected, and the Town was unable to provide documentation showing an extension had been approved by the Mayor and Administration Staff, as required by policy.

CRITERIA: Internal control is a process – effected by those charged with governance, management, and other personnel – designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

CAUSE: Although the Town has procedures in place for identifying delinquent utility accounts and disconnecting services in accordance with its established cutoff policies, these procedures were not consistently followed. Additionally, exceptions to the cutoff policies were not always formally approved or documented.

EFFECT: Failure to consistently follow the Town's utility cutoff policies increases the risk that delinquent balances will continue to accumulate and may become uncollectible. It may also result in inconsistent treatment of utility customers and a potential loss of revenue to the Town.

RECOMMENDATION: We recommend that the Town enforce its utility cutoff policy consistently for all customers. Any exception or extension should be approved by the Mayor and Administration Staff in accordance with the Town's policy and documented in the customer's account records.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Management concurs with the finding. The customer account identified during the audit was disconnected in June 2026 in accordance with Town policy and remained disconnected until the outstanding balance was paid in full.

To prevent similar occurrences, management reviewed the Town's utility cutoff policy with utility billing personnel and emphasized the requirement to either disconnect service for delinquent accounts or maintain documentation of any approved exception. Management will continue to monitor compliance with these procedures.

TOWN OF DELCAMBRE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended April 30, 2026

B. Compliance

2026-002 Inadequate Security for Cash Deposits

CONDITION: At year-end, the Town's bank deposits exceeded the amount covered by federal deposit insurance and pledged securities by approximately \$62,000. As a result, a portion of the Town's cash balance was not adequately secured.

CRITERIA: Louisiana Revised Statute 39:1225 requires the amount of securities pledged by a financial institution to equal, at all times, one hundred percent (100%) of the collected funds on deposit excluding the portion insured by a federal government agency.

CAUSE: The Town did not adequately monitor its bank balances and the related federal deposit insurance and pledged collateral coverage to ensure that all deposits were properly secured at year-end.

EFFECT: The Town was not in compliance with Louisiana Revised Statute 39:1225, and the unsecured deposits were exposed to potential loss in the event of a financial institution failure.

RECOMMENDATION: We recommend that the Town implement procedures to regularly monitor its bank balances, federal deposit insurance coverage, and pledged securities to ensure that all deposits are adequately secured. The Town should also coordinate with its financial institution to obtain additional pledged securities to ensure deposits are fully secured at all times.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Management concurs with the finding. In April 2026, the Town received DEQ loan proceeds related to an ongoing sewer rehabilitation project of \$261,000. As a result, cash balances temporarily exceeded the amount secured by federal deposit insurance and pledged securities at fiscal-year end.

The condition was corrected after year end when excess funds were transferred to an authorized investment account. Management will continue to monitor cash balances and transfer excess funds as necessary to maintain compliance with collateralization requirements.

TOWN OF DELCAMBRE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended April 30, 2026

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

None to report.

B. Compliance

None to report.

TOWN OF DELCAMBRE

Shrimp Capital of the World



107 N. RAILROAD

DELCAMBRE, LA 70528

PHONE: 337-492-4452 FAX: 337-345-4457

September 14, 2026

The Town of Delcambre respectfully submits the following corrective action plan for the year ended April 30, 2026.

Audit conducted by:

Kolder, Slaven & Company, LLC
7612 Highway 167
Abbeville, LA 70510

Audit Period: Fiscal year ended April 30, 2026

The findings from the April 30, 2026 schedule of current and prior year audit findings and management's corrective action plan are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS – FINANCIAL AUDIT

2026-001 Utility Cutoff Procedures

CONDITION: Audit procedures identified certain utility customer accounts with past-due balances that remained active beyond the cutoff date established by the Town's utility cutoff policy. The related utility services were not disconnected, and the Town was unable to provide documentation showing an extension had been approved by the Mayor and Administration Staff, as required by policy.

RECOMMENDATION: We recommend that the Town enforce its utility cutoff policy consistently for all customers. Any exception or extension should be approved by the Mayor and Administration Staff in accordance with the Town's policy and documented in the customer's account records.

CORRECTIVE ACTION PLAN: Management concurs with the finding. The customer account identified during the audit was disconnected in June 2026 in accordance with Town policy and remained disconnected until the outstanding balance was paid in full.

To prevent similar occurrences, management reviewed the Town's utility cutoff policy with utility billing personnel and emphasized the requirement to either disconnect service for delinquent accounts or maintain documentation of any approved exception. Management will continue to monitor compliance with these procedures.



2026-002

Inadequate Security for Cash Deposits

CONDITION: At year-end, the Town's bank deposits exceeded the amount covered by federal deposit insurance and pledged securities by approximately \$62,000. As a result, a portion of the Town's cash balance was not adequately secured.

RECOMMENDATION: We recommend that the Town implement procedures to regularly monitor its bank balances, federal deposit insurance coverage, and pledged securities to ensure that all deposits are adequately secured. The Town should also coordinate with its financial institution to obtain additional pledged securities to ensure deposits are fully secured at all times.

CORRECTIVE ACTION PLAN: Management concurs with the finding. In April 2026, the Town received DEQ loan proceeds related to an ongoing sewer rehabilitation project of \$261,000. As a result, cash balances temporarily exceeded the amount secured by federal deposit insurance and pledged securities at fiscal year-end.

The condition was corrected after year end when excess funds were transferred to an authorized investment account. Management will continue to monitor cash balances and transfer excess funds as necessary to maintain compliance with collateralization requirements.

If there are questions regarding the plan, please call Christopher Sponge, Mayor, at 337-492-4452.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Chris', with a large, stylized flourish at the end.

Christopher Sponge
Mayor

Town of Delcambre

Delcambre, Louisiana

Statewide Agreed-Upon Procedures

Fiscal period May 1, 2025 through April 30, 2026

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA
Deidre L. Stock, CPA

Of Counsel
C. Burton Kolder, CPA*

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA - retired 2022
Gerald A. Thibodeaux, Jr., CPA* - retired 2024

* A Professional Accounting Corporation

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Christopher Esponge, Mayor
and the Members of City Council
and the Louisiana Legislative Auditor:

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

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

The procedures and associated findings are as follows:

1.) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - 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.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - 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).

- 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 employees(s) rate of pay or approval and maintenance of pay rate schedules.
- 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.
- vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- 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).
- 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.
- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- 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.
- 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.

2.) ***Board or Finance Committee***

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum on all special revenue funds. *Alternatively, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - 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.

- 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.

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:
 - 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);
 - ii. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared. (e.g., initialed and dated, electronically logged); and
 - iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

4.) Collections (excluding EFTs)

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

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe 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).
 - v. Trace the actual deposit per the bank statement to the general ledger.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - ii. At least two employees are involved in processing and approving payments to vendors.
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - 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.
- [Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.]]
- C. For each location selected under #5A above, obtain the entity’s non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management’s representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

- ii. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.
- D. Using the entity's main operating account 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.

6.) Credit Cards/Debit Cards/Fuel Cards/Purchase 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.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation and:
 - i. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported]
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under #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 (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.
- 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.

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, 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:
- 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).
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - 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 policy (procedure #1h).
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

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. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- i. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - ii. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - 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 was approval documented).
 - 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.

9.) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do

- not document their attendance and leave. However, if the official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
- ii. Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - iv. Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- 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, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
- 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.

10.) Ethics

- A. Using the 5 randomly selected employees/officials from procedure #9A under "Payroll and Personnel" 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.
 - ii. Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

11.) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
- 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).

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.

- 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.

13.) Information Technology Disaster Recovery/Business Continuity

Perform the following procedures, verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”

- A. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
- 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.
- 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.
- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- 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.

14.) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from procedure #9A under ‘Payroll and Personnel’ above, 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.
- 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).
- 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 it 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;
- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

Findings:

Written Policies and Procedures

No exceptions noted as a result of procedures performed.

Board or Finance Committee

No exceptions noted as a result of procedures performed.

Bank Reconciliations

No exceptions noted as a result of procedures performed.

Collections (excluding electronic funds transfers)

No exceptions noted as a result of procedures performed.

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

No exceptions noted as a result of procedures performed.

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

No exceptions noted as a result of procedures performed.

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

No exceptions noted as a result of procedures performed.

Contracts

No exceptions noted as a result of procedures performed.

Payroll and Personnel

No exceptions noted as a result of procedures performed.

Ethics

For one of five employees tested, ethics training was not completed.

Debt Service

No exceptions noted as a result of procedures performed.

Fraud Notice

No exceptions noted as a result of procedures performed.

Information Technology Disaster Recovery/Business Continuity

We performed the procedure and discussed the results with management.

Prevention of Sexual Harassment

For one of five employees tested, sexual harassment prevention training was not completed.

Management's Response:

Management of the Town concurs with the exceptions and is working to address the deficiencies identified.

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

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the results 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.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
September 14, 2026