

NATCHITOCHEs TAX COMMISSION

**ANNUAL FINANCIAL REPORT
JUNE 30, 2025**

Natchitoches Tax Commission
Financial Report
Year Ended June 30, 2025
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Natchitoches Tax Commission
Financial Report
Year Ended June 30, 2025

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NATCHITOCHEs TAX COMMISSION

P. O. Box 639
Natchitoches, LA 71457

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Natchitoches Tax Commission's (hereafter referred to as the Tax Commission) annual financial report presents an overview and analysis of the Tax Commission's financial activities as of and for the fiscal year ended June 30, 2025. The intent of the MD&A is to look at the Tax Commission's financial performance as a whole. Therefore, it should be read in conjunction with this report. Certain comparative information is presented to provide an overview of the Tax Commission's operations.

Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Tax Commission as a whole and presents a longer-term view of the Tax Commission's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending.

Government-Wide Financial Statements

- The Statement of Net Position presents all of the Tax Commission's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the Tax Commission's net position may serve as a useful indicator of whether the financial position of the Tax Commission is improving or deteriorating.
- The Statement of Activities presents information showing how the Tax Commission's net position changed during the current year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

Fund Financial Statements

The services provided by the Tax Commission are financed through a governmental fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Tax Commission, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Tax Commission conducts its day-to-day operations through a governmental fund, the General Fund. These statements provide a short-term view of the Tax Commission's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the Tax Commission. The Tax Commission also maintains a Fiduciary Fund, in which these funds are simply held for other parties and cannot be used for any of the Tax Commission's activities. It is not included in the government-wide statements, but is separately reported in the statement of the Fiduciary Fund.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

| | <u>2025</u> | <u>2024</u> |
|-------------------------------------|---------------------|---------------------|
| Current Assets | \$ 1,086,371 | \$ 1,025,337 |
| Non-Current Assets | <u>202,456</u> | <u>126,691</u> |
| Total Assets | <u>\$ 1,288,827</u> | <u>\$ 1,152,028</u> |
| Deferred Outflows of Resources | <u>\$ 105,809</u> | <u>\$ 136,980</u> |
| Other Liabilities | \$ 16,407 | \$ 37,650 |
| Long Term Liabilities | <u>305,751</u> | <u>351,581</u> |
| Total Liabilities | <u>\$ 322,158</u> | <u>\$ 389,231</u> |
| Deferred Inflows of Resources | <u>\$ 255,168</u> | <u>\$ 259,425</u> |
| Net Position | | |
| Net Investment in Capital Assets | \$ 158,390 | \$ 126,691 |
| Unrestricted | <u>658,920</u> | <u>513,661</u> |
| Total Net Position | <u>\$ 817,310</u> | <u>\$ 640,352</u> |

Summary of the Statement of Activities

| | <u>2025</u> | <u>2024</u> |
|---------------------------------------|-------------------|-------------------|
| REVENUES: | | |
| Charges for Services | \$ 211,669 | \$ 198,158 |
| Operating Grants and Contributions | 572,343 | 515,070 |
| Interest Income | 2,678 | 2,332 |
| Nonemployer Pension Revenue | 4,575 | 3,886 |
| Gain (Loss) on Investment | <u>28,972</u> | <u>23,937</u> |
| Total Revenues | <u>\$ 820,237</u> | <u>\$ 743,383</u> |
| EXPENSES: | | |
| General Government | <u>\$ 643,277</u> | <u>\$ 577,916</u> |
| Increase in Net Position | \$ 176,960 | \$ 165,467 |
| Net Position, Beginning | <u>640,350</u> | <u>474,885</u> |
| Net Position, Ending | <u>\$ 817,310</u> | <u>\$ 640,352</u> |

A summary of the General Fund financial statements is as follows:

Balance Sheet

| | <u>2025</u> | <u>2024</u> |
|----------------------------------|---------------------|---------------------|
| Current Assets | \$ <u>1,086,371</u> | \$ <u>1,025,336</u> |
| Liabilities | \$ 16,407 | \$ 37,650 |
| Fund Balance | <u>1,069,964</u> | <u>987,686</u> |
| Total Liabilities & Fund Balance | <u>\$ 1,086,371</u> | <u>\$ 1,025,336</u> |

Statement of Revenues, Expenditures & Changes in Fund Balance

| | <u>2025</u> | <u>2024</u> |
|--|---------------------|-------------------|
| REVENUES: | | |
| Intergovernmental | \$ 572,343 | \$ 515,070 |
| Charges for Services | 211,669 | 198,158 |
| Interest Income | <u>2,678</u> | <u>2,332</u> |
| Total Revenues | <u>\$ 786,690</u> | <u>\$ 715,560</u> |
| EXPENSES: | | |
| General Government | <u>\$ 733,383</u> | <u>\$ 667,395</u> |
| Excess of Revenues over Expenditures | \$ 53,307 | \$ 48,165 |
| Other Financing Sources: | | |
| Gain on Investment | <u>28,972</u> | <u>23,937</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources | \$ 82,279 | \$ 72,102 |
| Fund Balance - Beginning of Year | <u>987,685</u> | <u>915,584</u> |
| Fund Balance - End of Year | <u>\$ 1,069,964</u> | <u>\$ 987,686</u> |

- The Tax Commission's assets exceeded its liabilities by \$817,310 (net position) for the year and by \$640,352 for the prior year.
- Unrestricted net position of \$658,920 represents the portion available to maintain the Tax Commission's obligation to both citizens and creditors. For the prior year, this was \$513,660, an increase of \$145,260 for the year.

General Fund Budgetary Highlights

The actual revenues and other financing sources were \$91,426 more than the budgeted amount for the year and actual expenditures were \$14,578 more than the budgeted amount for the year. For the year ended June 30, 2025, revenues and expenditures were within the 5% variance allowed.

Economic Factors and Next Year's Budget

The primary revenue source is the intergovernmental revenue received from the Natchitoches Parish School Board, City of Natchitoches, and Parish of Natchitoches for reimbursement of operating expenses. Any significant long-term decrease in sales tax would have an impact on the office operations. As there are minimal changes expected in the next fiscal year, the budget for FY 2025/2026 should not significantly differ from FY 2024/2025.

Contacting the Tax Commission

This financial report is designed to provide our citizens and creditors with a general overview of the Tax Commission's finances and to show the Tax Commission's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to Natchitoches Tax Commission, P. O. Box 639, Natchitoches, LA 71457.

T | C | B | T
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA, LLC
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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Natchitoches Tax Commission
P. O. Box 639
Natchitoches, LA 71457

Opinions

We have audited the accompanying financial statements of the governmental activities, major fund, and fiduciary fund of the Natchitoches Tax Commission as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Tax Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund and fiduciary fund information of the Tax Commission as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Natchitoches Tax Commission, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Tax Commission'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 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, 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 Tax Commission'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 Tax Commission's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, and Schedule of Changes in Net OPEB Liability and Related Ratios be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2025, on our consideration of the Tax Commission'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Commission's internal control over financial reporting and compliance.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

December 8, 2025

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Natchitoches Tax Commission
Government-Wide Statement of Net Position
June 30, 2025

| | Governmental Activities |
|--------------------------------------|----------------------------|
| ASSETS: | |
| Current Assets: | |
| Cash & Cash Equivalents | \$ 399,986 |
| Investments | 642,282 |
| Revenue Receivable | 44,103 |
| Total Current Assets | \$ 1,086,371 |
| Non-current Assets: | |
| Capital Assets, Net | \$ 158,390 |
| Net Pension Asset | 44,066 |
| Total Current Assets | \$ 202,456 |
| Total Assets | \$ 1,288,827 |
| Deferred Outflows of Resources: | |
| Pension | \$ 48,316 |
| OPEB | 57,493 |
| Total Deferred Outflows of Resources | \$ 105,809 |
| LIABILITIES: | |
| Current Liabilities: | |
| Payroll Liabilities | \$ 16,407 |
| Long-term Liabilities: | |
| Other Post-Employment Benefits | \$ 283,970 |
| Accrued Compensated Absences | 21,781 |
| Total Long-term Liabilities | \$ 305,751 |
| Total Liabilities | \$ 322,158 |
| Deferred Inflows of Resources: | |
| Pension | \$ 39,912 |
| OPEB | 215,256 |
| Total Deferred Inflows of Resources | \$ 255,168 |
| Net Position: | |
| Net Investment in Capital Assets | \$ 158,390 |
| Unrestricted | 658,920 |
| Total Net Position | \$ 817,310 |

See independent auditors' report and notes to the financial statements.

FUND FINANCIAL STATEMENTS

Natchitoches Tax Commission
Balance Sheet - Governmental Fund
June 30, 2025

| | <u>General Fund</u> |
|--------------------------------------|-------------------------|
| <u>Assets</u> | |
| Cash & Cash Equivalents | \$ 399,986 |
| Investments | 642,282 |
| Revenue Receivable | <u>44,103</u> |
| Total Assets | <u>\$ 1,086,371</u> |
| <u>Liabilities</u> | |
| Payroll Liabilities | \$ 16,407 |
| <u>Fund Balance</u> | |
| Unassigned | <u>1,069,964</u> |
| Total Liabilities & Fund Balance | <u>\$ 1,086,371</u> |

Natchitoches Tax Commission
 Reconciliation of Governmental Fund Balance Sheet
 to the Statement of Net Position
 June 30, 2025

| | | |
|--|----|-----------|
| Total Fund Balance of Governmental Funds | \$ | 1,069,964 |
|--|----|-----------|

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

The following used in Governmental Activities are not financial resources; and, therefore, are not reported in the Governmental Funds Balance Sheet-

| | | |
|---------------------------------|--|---------|
| Capital Assets, Net | | 158,390 |
| Net Pension Asset | | 44,066 |
| Deferred Outflows of Resources- | | |
| Pension | | 48,316 |
| OPEB | | 57,493 |

The following are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet-

| | | |
|--------------------------------|--|-----------|
| Other-Post Employment Benefits | | (283,970) |
| Accrued Compensated Absences | | (21,781) |
| Deferred Inflows of Resources- | | |
| Pension | | (39,912) |
| OPEB | | (215,256) |

| | | |
|---|----|----------------|
| Total Net Position of Governmental Activities | \$ | <u>817,310</u> |
|---|----|----------------|

Natchitoches Tax Commission
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
Year Ended June 30, 2025

| | <u>General Fund</u> |
|--|---------------------|
| REVENUES: | |
| Intergovernmental | \$ 572,343 |
| Charges for Services | 211,669 |
| Interest Income | <u>2,678</u> |
| Total Revenues | <u>\$ 786,690</u> |
| EXPENDITURES: | |
| General Government- | |
| Current- | |
| Personnel Services | \$ 497,350 |
| Travel | 1,890 |
| Operating Services | 121,429 |
| Supplies | 20,593 |
| Professional Services | 51,882 |
| Capital Outlay | <u>40,239</u> |
| Total Expenditures | <u>\$ 733,383</u> |
| Excess (Deficiency) of Revenues over Expenditures | \$ 53,307 |
| Other Financing Sources: | |
| Gain on Investment | <u>28,972</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources | \$ 82,279 |
| Fund Balance - Beginning of Year | <u>987,685</u> |
| Fund Balance - End of Year | <u>\$ 1,069,964</u> |

Natchitoches Tax Commission
 Reconciliation of the Statement of Revenues, Expenditures, and
 Change in Fund Balance of the Governmental Fund
 to the Statement of Activities
 June 30, 2025

| | | |
|--|----|--------|
| Net Change in Fund Balance - Governmental Fund | \$ | 82,279 |
|--|----|--------|

Amounts reported for Governmental Activities in the Statement of Activities are different because:

| | | |
|---|--|--------|
| Governmental Funds report Capital Outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as a depreciation expense. The cost of capital assets recorded in the current period is | | 40,239 |
|---|--|--------|

| | | |
|--|--|---------|
| Depreciation Expense on capital assets is reported in the Government-wide financial statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements. Current year depreciation is | | (8,540) |
|--|--|---------|

Some revenues reported in the Statement of Activities do not provide current financial resources and these are not reported as revenues in governmental funds. Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The timing differences are summarized below:

| | | |
|------------------------------|--|----------------|
| Non-Employer Pension Revenue | | 4,575 |
| Net OPEB Obligation | | 64,229 |
| Pension Expense | | 2,838 |
| Accrued Compensated Absences | | <u>(8,660)</u> |

| | | |
|---|----|-----------------------|
| Change in Net Position of Governmental Activities | \$ | <u><u>176,960</u></u> |
|---|----|-----------------------|

Natchitoches Tax Commission
Statement of Fiduciary Net Position
Year Ended June 30, 2025

| | <u>Tax Collector Fund</u> |
|-----------------------------------|-------------------------------|
| <u>Assets</u> | |
| Cash | \$ <u>656,092</u> |
| <u>Liabilities</u> | |
| Unsettled Deposits- Due to Others | \$ <u>656,092</u> |

Natchitoches Tax Commission
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2025

| | Tax Collector Fund |
|--|-----------------------|
| Unsettled Balances - Beginning of Year | \$ 619,716 |
| ADDITIONS: | |
| Sales & Use Tax | \$ 47,492,555 |
| Ad Valorem Tax | 2,902,076 |
| Hotel/Motel Tax | 610,900 |
| Insurance Licenses | 572,228 |
| Occupational Licenses | 686,195 |
| Video Bingo | 486,504 |
| Alcoholic Beverage Licenses | 35,650 |
| Total Additions | \$ 52,786,108 |
| DEDUCTIONS: | |
| Natchitoches Tax Commission | \$ 36,864 |
| Natchitoches Tourist Commission | 610,808 |
| Natchitoches Parish School Board | 23,324,881 |
| City of Natchitoches | 19,057,294 |
| Parish of Natchitoches | 4,427,125 |
| Natchitoches Parish Sheriff | 4,678,809 |
| Village of Campti | 241,762 |
| Village of Clarence | 57,002 |
| Village of Goldonna | 36,063 |
| Village of Natchez | 63,311 |
| Village of Robeline | 76,152 |
| Natchitoches Parish Fire District #1 | 34,845 |
| Natchitoches Parish Fire District #5 | 23,560 |
| Natchitoches Parish Fire District #6 | 81,256 |
| Total Deductions | \$ 52,749,732 |
| Unsettled Balances - End of Year | \$ 656,092 |

NOTES TO FINANCIAL STATEMENTS

Natchitoches Tax Commission
Notes to Financial Statements
June 30, 2025

Introduction:

As provided in L.S.A. – R.S. 33:2844, any sales and use tax levied by political subdivisions located within a single parish may be collected by a single tax collector for that parish. These political subdivisions are authorized by this statute to create a joint sales and use tax commission as an independent agency and instrumentality to collect, enforce, and administer the sales and use levied by all of the taxing authorities in that parish. Under the provisions of this statute, the tax commission must include two members appointed by each governing authority of each taxing jurisdiction which has collections equal to or greater than twenty percent of the total sales and use tax collections in the parish. The tax commission may, at its option, contract and make agreements with other local taxing authorities to collect taxes other than sales and use taxes.

The affairs of the Tax Commission are managed by a six-member Board of Commissioners made up of the chief administrative officer and the director of finance of the City of Natchitoches; the Treasurer and President of Natchitoches Parish; and the Director of Business Affairs and the Supervisor of Finance of the Natchitoches Parish School Board. The costs of establishing, operating, maintaining, and administering the Tax Commission shall be borne jointly by the City, School Board and Natchitoches Tax Commission on a pro-rata basis on the ratio that the taxes collected for each bears to the total taxes collected during the preceding year.

On May 23, 1989, the City of Natchitoches, the Natchitoches Parish School Board, and the Natchitoches Tax Commission entered into an agreement under the provisions of L.S.A. – R.S. 33:2844, for the collections of sales and use taxes and other fees thereby creating the Natchitoches Tax Commission. This agreement empowers the Natchitoches Tax Commission to collect, enforce, and administer the respective sales and use taxes and other fees as have been and may be authorized and levied by the City, School Board, and Natchitoches Tax Commission within the boundaries of the City of Natchitoches, Louisiana, and the Parish of Natchitoches, Louisiana, and may institute in the name of the Tax Commission suits to enforce the collection of such taxes.

1. Summary of Significant Accounting Policies:

The accompanying financial statements of the Tax Commission have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accompanying financial statements of the Tax Commission consist only of the transactions and activity of the Tax Commission as authorized by Louisiana statutes.

A. Basis of Presentation-

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity, except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

Natchitoches Tax Commission
Notes to Financial Statements
June 30, 2025

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Tax Commission's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, 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 are presented as general revenues.

B. Fund Accounting-

The accounts of the Tax Commission are organized 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 maintained is consistent with legal and managerial requirements.

The Tax Commission maintains two funds. They are categorized as a governmental fund and a fiduciary fund. 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 entity. The funds of the Tax Commission are described below:

Governmental Fund-

General Fund

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

Fiduciary Fund-

Fiduciary Funds are used to account for assets held by the Tax Commission in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Fiduciary Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities of the Tax Commission, these funds are not incorporated into the government-wide statements.

C. Measurement Focus/Basis of Accounting-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Tax Commission as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Natchitoches Tax Commission
Notes to Financial Statements
June 30, 2025

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Tax Commission considers all revenues "available" if collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

D. Assets, Liabilities, and Equity-

Cash and Cash Equivalents-

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments-

Investments are limited by Louisiana Revised Statute and the Tax Commission's investment policy.

Receivables-

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible. The receivables at year end were considered to be fully collectible and no allowance for bad debts were recorded.

Capital Assets-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

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

| | |
|-------------------------------------|-------------|
| Buildings and Building Improvements | 20-40 years |
| Moveable property | 5-10 years |

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Compensated Absences-

The Tax Commission employees earn annual leave at various rates depending on the number of years of service. The maximum amount of annual leave that may be accumulated by each employee is 240 hours. Upon termination, an employee is compensated for up to 240 hours of unused annual leave at the employee's hourly rate of pay at the time of termination.

Pensions-

For purposes of measuring the Net Pension Liability, Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions, and pension expense, information about the fiduciary net position of the Parochial Employees' Retirement System (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Deferred Outflows/Inflows of Resources-

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources 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 borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position---Consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position---All other net resources that do not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net position are available, management applies unrestricted net position first, unless a determination is made to use restricted net position. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

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In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance---amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance---amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance---amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;
- d. Assigned fund balance---amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance---amounts that are available for any purpose; positive amounts are reported only in the general fund.

The General Fund has an unassigned fund balance of \$1,069,964. If applicable, the Tax Commission would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

The Board of Commissioners establishes (and modifies and rescinds) fund balance commitments and assignments by passage of an ordinance or resolution.

E. Budgetary Practices:

Formal budgetary accounting is employed as a management control. The Tax Commission prepares and adopts a budget prior to July 1 of each year for its General Fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using modified accrual basis of accounting. The Tax Commission amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

F. Estimates:

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

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2. Deposits with Financial Institutions

A. Cash and Cash Equivalents:

The cash and cash equivalents of the Natchitoches Tax Commission are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Tax Commission will not be able to recover its deposits. 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 fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Tax Commission that the fiscal agent bank has failed to pay deposited funds upon demand.

At June 30, 2025, the Tax Commission had \$1,104,733 in deposits (collected bank balances). These deposits were secured from risk by \$500,000 of federal deposit insurance and \$604,733 pledged securities.

B. Investments

The investments of the Tax Commission are subject to the following risk:

Interest Rate Risk. This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity is its fair value to changes in market interest rates. The Tax Commission does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, as a means of offsetting exposure to interest rate risk, the Tax Commission diversifies its investments by security type and institution.

Credit Risk: Generally, credit risk is the risk that the issuer of a debt type investment will not fulfill its obligation to the holder of the investment. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The Commission's investments comply with Louisiana Statutes (LSA R.S. 33:2955). Under state law, the Commission may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Commission 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 organized under Louisiana law and national banks having principal offices in Louisiana.

The Tax Commission maintains investment accounts as authorized by the Louisiana Revised Statutes. Under state law, the Tax Commission may invest in obligations of the U.S. Treasury and U.S. Agencies, or certificates of deposit. Investments are carried at fair market as of the balance sheet date.

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At June 30, 2025, the Commission has the following investments and maturities:

| Type of Investment | Fair Value | Investment Maturities (in Years) | | |
|----------------------------|------------|----------------------------------|--------------|------------|
| | | Less Than 1 Year | 1-5 Years | 6-10 Years |
| U.S. Government Securities | \$642,282 | \$2,715 | \$639,567 | \$0 |

3. Changes in General Long-term Obligations – Compensated Absences:

At June 30, 2025, employees of the Tax Commission had accumulated \$21,781 in annual leave benefits. The following is a summary of the changes in long-term obligations for accrued compensated absences for the year ended June 30, 2025:

| | |
|--|-----------------|
| Long-term obligations payable at June 30, 2024 | \$13,121 |
| Net Change | <u>8,660</u> |
| Long-term obligations payable at June 30, 2025 | <u>\$21,781</u> |

4. Lease Obligations:

The Natchitoches Tax Commission was not obligated under any capital or operating leases at June 30, 2025.

5. Capital Assets:

Capital asset balances and activity for the year ended June 30, 2025, is as follows:

| Governmental Activities | Balance 07-01-24 | Additions | Deletions | Balance 06-30-25 |
|----------------------------------|---------------------|-----------------|-------------|---------------------|
| Non-depreciable Capital assets: | | | | |
| Land | \$ <u>40,000</u> | \$ <u>0</u> | \$ <u>0</u> | \$ <u>40,000</u> |
| Depreciable Capital Assets: | | | | |
| Buildings & Improvements | \$167,505 | \$40,239 | \$0 | \$207,744 |
| Furniture & Equipment | <u>70,194</u> | <u>0</u> | <u>0</u> | <u>70,194</u> |
| Total Depreciable Capital Assets | <u>\$237,699</u> | <u>\$40,239</u> | <u>\$0</u> | <u>\$277,938</u> |
| Total Capital Assets | <u>\$277,699</u> | <u>\$40,239</u> | <u>\$0</u> | <u>\$317,938</u> |
| Less: Accumulated Depreciation: | | | | |
| Buildings & Improvements | \$ 82,369 | \$ 6,988 | \$0 | \$ 89,357 |
| Furniture & Equipment | <u>68,639</u> | <u>1,552</u> | <u>0</u> | <u>70,191</u> |
| Total Accumulated Depreciation | <u>\$151,008</u> | <u>\$ 8,540</u> | <u>\$0</u> | <u>\$159,548</u> |
| Total Capital Assets, Net | <u>\$126,691</u> | <u>\$31,699</u> | <u>\$0</u> | <u>\$158,390</u> |

Depreciation expense of \$8,540 was charged to the general government function.

6. Pension Plan:

Plan Description

The Tax Commission contributes to Parochial Employees' Retirement System of Louisiana (System) which is a cost-sharing, multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish

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in the State of Louisiana or any governing body or a parish which employs and pays persons serving the parish. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the “regular plan” and the “supplemental plan”. Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The System is governed by Louisiana Revised Statutes, Title 11, Section 1901 through 2025, specifically, and other general laws of the State of Louisiana. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which can be obtained at www.persla.org.

All permanent Tax Commission employees (except those employed by Orleans, Lafourche, and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

Benefits Provided

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

Retirement

Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service.
2. Age 62 with 10 years of service.
3. Age 67 with 7 years of service.

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to 3% of the member’s final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes.

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

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Deferred Retirement Option Plan

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the System. DROP is an option for that member who is eligible for normal retirement.

In lieu of terminating employment and accepting service retirement, any member of Plan A or B who is eligible to retire may elect to participate in DROP in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his/her option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in DROP will be placed in liquid asset money market investments at the discretion of the Board of Trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and have at least five years of creditable service or if hired after January 1, 2007, have seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to 3% of the member's final average compensation multiplied by his years of service, not to be less than 15, or 3% multiplied by years of service assuming continued service to age 60 for those members who are enrolled prior to January 1, 2017 and to age 62 for those members who are enrolled January 1, 2007 and later.

Cost-of-Living Increases

The Board is authorized to provide a cost-of-living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements.

In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age 65 equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (LA R.S. 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

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Employer Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2024, the actuarially determined contribution rate was 7.49% of member's compensation for Plan A. The actual rate for the fiscal year ending December 31, 2024 was 11.50% for Plan A.

According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contribution revenue for the current year is \$3,886.

The Tax Commission's contractually required composite contribution rate for the year ended June 30, 2025 was 11% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Tax Commission were \$40,183 for the year ended June 30, 2025.

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

For the years ending June 30, 2025 and 2024, the Tax Commission reported an asset of \$44,066 and a liability of \$37,425, respectively, for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2024 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Tax Commission's proportion of the Net Pension Liability was based on a projection of the Tax Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2024, the Tax Commission's proportion was 0.043819%, which was an increase of 0.004537% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the Tax Commission recognized a reduction in pension expense of \$2,838 minus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$97.

At June 30, 2025, the Tax Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of <u>Resources</u> | Deferred Inflows of <u>Resources</u> |
|--|--|---|
| Differences between expected and actual experience | \$26,891 | \$ 3,831 |
| Changes in assumption | 0 | 4,819 |
| Net difference between projected and actual earnings on pension plan investments | 0 | 29,017 |
| Changes in employer's proportion of beginning net pension liability | 1,017 | 2,083 |
| Differences between employer contributions and proportionate share of employer contributions | 0 | 132 |
| Subsequent Measurement Contributions | <u>20,408</u> | <u>0</u> |
| Total | <u>\$48,316</u> | <u>\$39,912</u> |

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The deferred outflows of resources related to pensions resulting from the Tax Commission contributions subsequent to the measurement date in the amount of \$20,408, will be recognized as a reduction of the Net Pension Liabilities in the year of June 30, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

| Year ended <u>June 30</u> | |
|------------------------------|--------------------|
| 2025 | \$ 16,636 |
| 2025 | 38,599 |
| 2026 | (45,371) |
| 2027 | <u>(21,868)</u> |
| Total | <u>\$ (12,004)</u> |

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2024 is as follows:

| | |
|----------------------------------|---|
| Valuation Date | December 31, 2024 |
| Actuarial Cost Method | Entry Age Normal |
| Expected Remaining Service Lives | 4 years. |
| Investment Rate of Return | 6.40%, net of investment expense, including inflation. |
| Inflation Rate | 2.30% |
| Mortality | Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants. |
| Projected Salary Increases | 4.75% |
| Cost of Living Adjustments | The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees. |

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The discount rate used to measure the total pension liability was 6.40% for Plan A. 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 and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best estimates 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 rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.00% for the year ended December 31, 2024.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2022 are summarized in the following table:

| Asset Class | Target Asset Allocation | Long-Term Expected Portfolio Real Rate of Return |
|------------------------------------|----------------------------|--|
| Fixed Income | 37% | 1.08% |
| Equity | 47% | 2.82% |
| Alternatives | 15% | 0.76% |
| Real Assets | 1% | 0.07% |
| Totals | <u>100%</u> | <u>4.73%</u> |
| Inflation | | <u>2.40%</u> |
| Expected Arithmetic Nominal Return | | <u>7.13%</u> |

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

The following presents the Tax Commission's proportionate share of the Net Pension Liability using the discount rate of 6.40%, as well as what the Tax Commission's proportionate share of the Net Pension Liability/Asset would be if it were calculated using a discount rate that is one percentage-point lower (5.40%) or one percentage-point higher (7.40%) than the current rate:

| | Changes in Discount Rate | | |
|-------------------------------|--------------------------|------------------------|----------------------|
| | 1% Decrease 5.40% | Discount Rate 6.40% | 1% Increase 7.40% |
| Net Pension Liability/(Asset) | <u>\$ 224,881</u> | <u>\$ (44,066)</u> | <u>\$ (269,815)</u> |

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Payables to the Pension Plan

Pension plan payable at June 30, 2025 is \$6,063.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Parochial Employees' Retirement System of Louisiana Annual Financial Report at www.persla.org.

7. Postemployment Health Care and Life Insurance Benefits:

General Information about the OPEB Plan

Plan description – The Natchitoches Tax Commission (the Tax Commission) provides certain continuing health care and life insurance benefits for its retired employees. The Natchitoches Tax Commission's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Tax Commission. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Tax Commission. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

Benefits Provided – Medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. Most employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007 retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service.

Employees covered by benefit terms – At June 30, 2025, the following employees were covered by the benefit terms:

| | |
|--|-----------|
| Inactive employees or beneficiaries currently receiving benefit payments | 4 |
| Inactive employees entitled to but not yet receiving benefit payments | - |
| Active employees | <u>7</u> |
| Total | <u>11</u> |

Total OPEB Liability

The Tax Commission's total OPEB liability of \$283,970 was measured as of June 30, 2025 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|-----------------------------|-------------------------------------|
| Inflation | 3.0% |
| Salary increases | 3.0%, including inflation |
| Prior Discount rate | 3.93% |
| Discount rate | 5.20% annually |
| Healthcare cost trend rates | Getzen model, initial trend of 5.5% |
| Mortality | Pub-2010/2021 |

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The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2025, the end of the applicable measurement period.

The actuarial assumptions used in the June 30, 2025 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2025.

Changes in the Total OPEB Liability

| | |
|---|--------------------|
| Balance at June 30, 2024 | <u>\$301,035</u> |
| Changes for the year: | |
| Service cost | \$ 16,427 |
| Interest cost at 3.93% | 12,153 |
| Differences between expected and actual experience | 14,576 |
| Changes in assumptions/Inputs | (44,332) |
| Benefit payments- <i>Employer Retiree Premiums Paid</i> | <u>(15,889)</u> |
| Net changes | <u>\$ (17,065)</u> |
| Balance at June 30, 2025 | <u>\$ 283,970</u> |

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Tax Commission, as well as what the Tax Commission's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20%) or 1-percentage-point higher (6.20%) than the current discount rate:

| | 1.0% Decrease (4.20%) | Current Trend (5.20%) | 1.0% Increase (6.20%) |
|----------------------|----------------------------------|----------------------------------|----------------------------------|
| Total OPEB Liability | <u>\$321,056</u> | <u>\$283,970</u> | <u>\$253,114</u> |

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Tax Commission, as well as what the Tax Commission's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

| | 1.0% Decrease (4.5%) | Current Trend (5.5%) | 1.0% Increase (6.5%) |
|----------------------|---------------------------------|---------------------------------|---------------------------------|
| Total OPEB Liability | <u>\$251,464</u> | <u>\$283,970</u> | <u>\$323,287</u> |

Natchitoches Tax Commission
Notes to Financial Statements
June 30, 2025

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the Tax Commission recognized OPEB expense of \$(48,340). At June 30, 2025, the Tax Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$45,074 | \$(155,380) |
| Changes in assumptions | <u>12,419</u> | <u>(59,876)</u> |
| Total | <u>\$57,493</u> | <u>\$(215,256)</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>Years ending June 30:</u> | |
|------------------------------|-------------|
| 2026 | \$ (77,899) |
| 2027 | (82,181) |
| 2028 | 772 |
| 2029 | 772 |
| 2030 | 772 |
| Thereafter | <u>0</u> |

8. Litigation:

Management has advised that the Tax Commission is not involved in any legal action which would have a negative impact on the Tax Commission.

9. Ad Valorem Taxes/Parcel Fees:

The Natchitoches Tax Commission collects ad valorem taxes levied by the City of Natchitoches and parcel fees levied by Fire Districts #1, #5 and #6. Ad valorem taxes and parcel fees, which are levied in October and billed in November, attach as an enforceable lien on property as of January 1 of each year. Ad valorem taxes and parcel fees that have been billed become delinquent on January 1 of the following year and penalties and interest are assessed. The Tax Commission bills and collects the ad valorem taxes using the assessed values determined by the Tax Assessor of Natchitoches Parish. Parcel fees are assessed at \$25 per lot on which a structure is located.

10. Taxes Paid Under Protest:

Louisiana Revised Statute 47:1576 provides that taxpayers, at the time of payment of all taxes due, may give notice to the tax collector of their intention to file suit for recovery of all or a portion of the total taxes paid. Upon receipt of a notice, the amount paid shall be segregated and held by the tax collector for a period of thirty days. If a suit is filed within 30 days, the segregated funds shall be held pending outcome of the suit. If the taxpayer prevails, the Tax Collector shall refund the amount due with interest from the date the funds were received by the Tax Collector. There were no ad valorem taxes paid under protest during the fiscal year ended June 30, 2025.

Natchitoches Tax Commission
Notes to Financial Statements
June 30, 2025

11. Subsequent Events:

Management has evaluated events through December 8, 2025, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

Natchitoches Tax Commission
Major Fund
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended June 30, 2025

| | <u>Budgeted Amounts</u> | | | Variance- Favorable (Unfavorable) |
|--|-------------------------|-------------------|---------------------|---|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Intergovernmental | \$ 555,264 | \$ 555,264 | \$ 572,343 | \$ 17,079 |
| Charges for Services | 167,051 | 167,051 | 211,669 | 44,618 |
| Miscellaneous | <u>1,921</u> | <u>1,921</u> | <u>2,678</u> | <u>757</u> |
| Total Revenues | <u>\$ 724,236</u> | <u>\$ 724,236</u> | <u>\$ 786,690</u> | <u>\$ 62,454</u> |
| Expenditures: | | | | |
| General Government- Current- | | | | |
| Personnel Services | \$ 486,465 | \$ 494,365 | \$ 497,350 | \$ (2,985) |
| Travel | 3,675 | 1,975 | 1,890 | 85 |
| Operating Services | 152,145 | 150,455 | 121,429 | 29,026 |
| Supplies | 23,170 | 21,070 | 20,593 | 477 |
| Professional Services | 56,240 | 50,940 | 51,882 | (942) |
| Capital Outlay | <u>-</u> | <u>-</u> | <u>40,239</u> | <u>(40,239)</u> |
| Total Expenditures | <u>\$ 721,695</u> | <u>\$ 718,805</u> | <u>\$ 733,383</u> | <u>\$ (14,578)</u> |
| Excess (Deficiency) of Revenues over Expenditures | \$ 2,541 | \$ 5,431 | \$ 53,307 | \$ 47,876 |
| Other Financing Sources: | | | | |
| Gain on Investment | <u>-</u> | <u>-</u> | <u>28,972</u> | <u>28,972</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources | \$ 2,541 | \$ 5,431 | \$ 82,279 | \$ 76,848 |
| Fund Balance - Beginning of Year | <u>987,685</u> | <u>987,685</u> | <u>987,685</u> | <u>-</u> |
| Fund Balance - End of Year | <u>\$ 990,226</u> | <u>\$ 993,116</u> | <u>\$ 1,069,964</u> | <u>\$ 76,848</u> |

See independent auditors' report and notes to the financial statements.

Natchitoches Tax Commission
 Schedule of Employer's Share of Net Pension Liability
 For the Year Ended June 30, 2025

| <u>Fiscal Year*</u> | <u>Employer's Proportion of the Net Pension Liability (Asset)</u> | <u>Employer's Proportion of the Net Pension Liability (Asset)</u> | <u>Employer's Covered Employee Payroll</u> | <u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u> | <u>Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability</u> |
|---------------------|---|---|--|---|--|
| 2016 | 0.042409% | \$ 111,633 | \$ 265,933 | 41.98% | 99.23% |
| 2017 | 0.045483% | \$ 93,673 | \$ 271,718 | 34.47% | 94.15% |
| 2018 | 0.044683% | \$ (33,166) | \$ 282,630 | -11.73% | 101.98% |
| 2019 | 0.047490% | \$ 210,778 | \$ 291,436 | 73.32% | 88.86% |
| 2020 | 0.044971% | \$ 2,117 | \$ 291,541 | 0.73% | 99.89% |
| 2021 | 0.045078% | \$ (79,040) | \$ 307,749 | -25.68% | 104.00% |
| 2022 | 0.044348% | \$ (208,898) | \$ 277,482 | -75.28% | 110.46% |
| 2023 | 0.039439% | \$ 151,792 | \$ 269,594 | 56.30% | 91.74% |
| 2024 | 0.039282% | \$ 37,425 | \$ 313,963 | 11.92% | 98.03% |
| 2025 | 0.043819% | \$ (44,066) | \$ 349,423 | -12.61% | 101.97% |

*Amounts presented were determined as of the measurement date (previous fiscal year end).

Natchitoches Tax Commission
 Schedule of Employer Contributions
 For the Year Ended June 30, 2025

| <u>Fiscal Year*</u> | <u>Contractually Required Contributions</u> | <u>Contributions in Relation to Contractually Required Contributions</u> | <u>Contribution Deficiency (Excess)</u> | <u>Employer's Covered Payroll</u> | <u>Contributions as a Percentage of Covered Employee Payroll</u> |
|---------------------|---|--|---|-----------------------------------|--|
| 2016 | \$ 36,573 | \$ 36,573 | \$ - | \$ 265,933 | 13.75% |
| 2017 | \$ 34,651 | \$ 34,561 | \$ - | \$ 271,718 | 12.75% |
| 2018 | \$ 33,908 | \$ 33,908 | \$ - | \$ 282,630 | 12.00% |
| 2019 | \$ 33,515 | \$ 33,515 | \$ - | \$ 291,436 | 11.50% |
| 2020 | \$ 34,777 | \$ 3,477 | \$ - | \$ 291,541 | 11.93% |
| 2021 | \$ 37,699 | \$ 37,699 | \$ - | \$ 307,749 | 12.25% |
| 2022 | \$ 32,974 | \$ 32,974 | \$ - | \$ 277,482 | 11.88% |
| 2023 | \$ 31,003 | \$ 31,003 | \$ - | \$ 269,594 | 11.50% |
| 2024 | \$ 36,106 | \$ 36,106 | \$ - | \$ 313,962 | 11.50% |
| 2025 | \$ 40,184 | \$ 40,184 | \$ - | \$ 349,423 | 11.50% |

*Amounts presented were determined as of the end of the fiscal year.

Natchitoches Tax Commission
 Schedule of Changes in Net OPEB Liability and Related Ratios
 For the Year Ended June 30, 2025

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total OPEB Liability | | | | | | | | |
| Service Cost | \$ 16,427 | \$ 19,958 | \$ 25,728 | \$ 19,391 | \$ 20,106 | \$ 17,932 | \$ 11,303 | \$ 11,577 |
| Interest | 12,153 | 22,465 | 20,452 | 13,562 | 13,211 | 22,828 | 22,605 | 21,321 |
| Changes in Benefit Terms | - | - | - | - | - | - | - | - |
| Differences between expected and actual experience | 14,576 | (310,760) | 25,397 | 5,469 | 709 | (264,553) | 18,256 | 49,326 |
| Changes of Assumptions | (44,332) | (21,056) | (8,267) | (70,194) | 4,184 | 175,727 | 29,805 | (26,879) |
| Benefit Payments | <u>(15,889)</u> | <u>(15,061)</u> | <u>(22,703)</u> | <u>(21,519)</u> | <u>(7,787)</u> | <u>(7,381)</u> | <u>(17,143)</u> | <u>(16,249)</u> |
| Net Change in Total OPEB Liability | \$ (17,065) | \$ (304,454) | \$ 40,607 | \$ (53,291) | \$ 30,423 | \$ (55,447) | \$ 64,826 | \$ 39,096 |
| Total OPEB Liability - Beginning | <u>301,035</u> | <u>605,489</u> | <u>564,881</u> | <u>618,172</u> | <u>587,729</u> | <u>643,276</u> | <u>578,450</u> | <u>539,354</u> |
| Total OPEB Liability - Ending | <u>\$ 283,970</u> | <u>\$ 301,035</u> | <u>\$ 605,488</u> | <u>\$ 564,881</u> | <u>\$ 618,152</u> | <u>\$ 587,829</u> | <u>\$ 643,276</u> | <u>\$ 578,450</u> |
| Covered-employee Payroll | <u>\$ 345,009</u> | <u>\$ 334,960</u> | <u>\$ 237,017</u> | <u>\$ 230,114</u> | <u>\$ 320,820</u> | <u>\$ 311,476</u> | <u>\$ 302,268</u> | <u>\$ 293,464</u> |
| Net OPEB Liability as a percentage of covered employee payroll | 82.31% | 89.87% | 255.46% | 245.48% | 192.68% | 188.69% | 212.82% | 197.11% |

Notes to Schedule:

| | | | | | | | | |
|--------------------------------|---------------|---------------|--------------|--------------|--------------|--------------|---------|---------|
| <i>Benefit Change</i> | None | None | None | None | None | None | None | None |
| <i>Changes of Assumptions:</i> | | | | | | | | |
| Discount Rate | 5.20% | 3.93% | 3.65% | 3.54% | 2.16% | 2.21% | 3.50% | 3.87% |
| Mortality | Pub-2010/2021 | Pub-2010/2021 | RP-2014 | RP-2014 | RP-2014 | RP-2014 | RP-2000 | RP-2000 |
| Trend | Genzen Model | Genzen Model | 4.5% to 5.5% | 4.5% to 5.5% | 4.5% to 5.5% | 4.5% to 5.5% | 5.50% | 5.50% |

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

SUPPLEMENTARY INFORMATION

Natchitoches Tax Commission
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended June 30, 2025

Agency Head Name: Laura Jeffcoat, Tax Administrator

| <u>Purpose</u> | <u>Amount</u> |
|---------------------|------------------|
| Salary | \$ 77,106 |
| Benefits-Insurance | 12,532 |
| Benefits-Retirement | 8,671 |
| Dues | 200 |
| Registration Fees | 300 |
| Conference Travel | <u>122</u> |
| Total | <u>\$ 98,931</u> |

Natchitoches Tax Commission
 Schedule of Collections, Distributions, and Costs of Collections
 For the Year Ended June 30, 2025

| | | |
|---|--|---------------|
| 1. Collections | | |
| a. Sales & Use Tax | | \$ 47,492,555 |
| b. All Other Taxes | | 5,293,553 |
| c. Interest | | - |
| d. Penalties | | - |
| e. Fees | | - |
| Total Collections Received | | \$ 52,786,108 |
| f. Less Collections Received and Held in Escrow | | - |
| Total Collection Available for Disbursement | | \$ 52,786,108 |
| 2. Amounts Disbursed to Each Local Taxing Authority (Net of Collection Costs) | | |
| Natchitoches Parish School Board (2.5%) | | \$ 23,324,881 |
| City of Natchitoches (2.5%) | | 19,057,294 |
| Parish of Natchitoches (1%) | | 4,427,125 |
| Natchitoches Parish Sheriff (.5%) | | 4,678,809 |
| Natchitoches Tourist Commission (3%) | | 610,808 |
| Village of Campti (2%) | | 241,762 |
| Village of Clarence (1%) | | 57,002 |
| Village of Goldonna (1%) | | 36,063 |
| Village of Natchez (1%) | | 63,311 |
| Village of Robeline (1%) | | 76,152 |
| Total Amounts Disbursed to Local Taxing Authorities | | \$ 52,573,207 |
| 3. Total Amount Retained by Collector | | \$ 212,901 |
| 4. Amounts Disbursed for Costs of Collection | | |
| a. Collector Employee Salaries | | \$ 149,031 |
| b. Collector Employee Benefits | | 63,870 |
| c. Contracted Collector Services | | - |
| d. All Other Costs of Collection | | - |
| Total Amounts Disbursed for Costs of Collection | | 212,901 |
| 5. Balance in Excess (Deficiency) of Costs of Collection | | \$ - |

See independent auditors' report.

OTHER REPORTS/SCHEDULES

T | C | B | T
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA, LLC
Jessica H. Broadway, CPA – A Professional Corporation
Ryan E. Todtenbier, CPA – A Professional Corporation

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

Board of Commissioners
Natchitoches Tax Commission
P. O. Box 639
Natchitoches, LA 71457

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 and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, major fund and fiduciary fund as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Natchitoches Tax Commission's (Commission) basic financial statements and have issued our report thereon dated December 8, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Tax Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tax Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tax Commission'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 Tax Commission'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 over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's

December 8, 2025

Natchitoches, Louisiana

Natchitoches Tax Commission
Schedule of Audit Results
Year Ended June 30, 2025

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results:

1. An unmodified opinion was issued on the financial statements of the Natchitoches Tax Commission as of and for the year ended June 30, 2025.
2. The audit disclosed no material weaknesses in internal control.
3. The audit disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

None noted.

III. PRIOR YEAR AUDIT FINDINGS

None noted.