

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

**AS OF AND FOR THE YEAR
ENDED JUNE 30, 2025**

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

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INDEPENDENT AUDITOR'S REPORT

**To the Honorable Hubert Rollinson, Jr., Mayor
And the Honorable Members of the Town Council
Town of Oak Grove
Oak Grove, 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 Oak Grove, Louisiana, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town of Oak Grove, Louisiana's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund, of the Town of Oak Grove, Louisiana, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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

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 budgetary comparison information 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 Management's Discussion and Analysis; the Schedule of Employer's Proportionate Share of Net Pension Liability; and the Schedule of Contributions 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 of Oak Grove, Louisiana's basic financial statements. The accompanying Schedule of Compensation Paid Council Members, Schedule of Compensation, Benefits, and Payments to Agency Head; and the Justice Funding Schedule – Collecting/Disbursing Entity of 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, Schedule of Compensation Paid Council Members, Schedule of Compensation, Benefits, and Payments to Agency Head; and the Justice Funding Schedule – Collecting/Disbursing Entity are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2025, on our consideration of the Town of Oak Grove, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Oak Grove, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Oak Grove, Louisiana's internal control over financial reporting and compliance.

BOSCH & STATHAM, LLC

Bosch & Statham, LLC

Ruston, Louisiana
December 15, 2025

BASIC FINANCIAL STATEMENTS

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**STATEMENT OF NET POSITION
AS OF JUNE 30, 2025**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,525,751	\$ 1,485,150	\$ 5,010,901
Cash and cash equivalents - restricted	-	215,203	215,203
Receivables, net of allowance for uncollectibles	183,628	318,806	502,434
Internal balances	56,142	(56,142)	-
Inventory of materials and supplies	-	9,150	9,150
Capital assets, net of accumulated depreciation	1,686,543	4,662,460	6,349,003
Other assets	92	-	92
TOTAL ASSETS	5,452,156	6,634,627	12,086,783
DEFERRED OUTFLOWS			
Pension related	132,518	4,352	136,870
LIABILITIES			
Current liabilities			
Accounts, salaries and other payables	30,602	230,395	260,997
Deposits due others	250	78,724	78,974
Noncurrent liabilities			
Compensated absences	101,572	24,088	125,660
Due within one year	-	31,000	31,000
Due in more than one year	-	356,701	356,701
Net pension liability	948,642	95,672	1,044,314
TOTAL LIABILITIES	1,081,066	816,580	1,897,646
DEFERRED INFLOWS			
Pension related	48,744	6,818	55,562
NET POSITION			
Net investment in capital assets	1,686,543	4,274,759	5,961,302
Restricted net position	3,324,272	1,538,235	4,862,507
Unrestricted net position	(555,951)	2,587	(553,364)
TOTAL NET POSITION	\$ 4,454,864	\$ 5,815,581	\$ 10,270,445

The accompanying notes are an integral part of these financial statements.

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS		TOTAL
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
Governmental activities:							
General government	\$ 1,104,515	\$ 183,767	\$ 4,075	\$ 31,818	\$ (884,855)		\$ (884,855)
Public safety	694,981	54,761	48,621	-	(591,599)		(591,599)
Highways and streets	215,813	2,748	-	-	(213,065)		(213,065)
Utilities	213	-	-	-	(213)		(213)
Cemeteries	48,262	6,600	-	-	(41,662)		(41,662)
Health and welfare	1,180	42	-	-	(1,138)		(1,138)
Culture and recreation	14,069	-	-	-	(14,069)		(14,069)
Economic development	24,130	-	-	-	(24,130)		(24,130)
Total governmental activities	<u>2,103,163</u>	<u>247,918</u>	<u>52,696</u>	<u>31,818</u>	<u>(1,770,731)</u>		<u>(1,770,731)</u>
Business-type activities:							
Sanitation	494,869	706,000	20,000	391,981		623,112	623,112
Interest expense on sewer debt	3,968	-	-	-		(3,968)	(3,968)
Utilities	612,969	549,475	42,600	61,724		40,830	40,830
Total business-type activities	<u>1,111,806</u>	<u>1,255,475</u>	<u>62,600</u>	<u>453,705</u>		<u>659,974</u>	<u>659,974</u>
Total primary government	<u>\$ 3,214,969</u>	<u>\$ 1,503,393</u>	<u>\$ 115,296</u>	<u>\$ 485,523</u>	<u>(1,770,731)</u>	<u>659,974</u>	<u>(1,110,757)</u>
General revenues:							
Property taxes					285,575	-	285,575
Sales and use taxes					1,044,464	-	1,044,464
Other taxes, penalties and interest					67,521	-	67,521
Donations					3,100	-	3,100
Unrestricted investment earnings					26,861	4,715	31,576
Gain (loss) on sale of capital assets					-	814	814
Other					220,055	42,579	262,634
Transfers					(126,626)	126,626	-
Total general revenues and transfers					<u>1,520,950</u>	<u>174,734</u>	<u>1,695,684</u>
Change in net position					(249,781)	834,708	584,927
Net position at beginning of year, restated					4,704,645	4,980,873	9,685,518
Net position at end of year					<u>\$ 4,454,864</u>	<u>\$ 5,815,581</u>	<u>\$ 10,270,445</u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2025**

ASSETS	General	Sales Tax	Street	Cemetery	Economic Development	American Rescue Plan	Total Governmental Funds
Cash and cash equivalents	\$ 279,340	\$ 2,458,716	\$ 101,854	\$ 433,929	\$ 251,912	\$ -	\$ 3,525,751
Receivables	-	183,628	-	-	-	-	183,628
Due from other funds	10,486	75,424	-	-	-	-	85,910
Other assets	92	-	-	-	-	-	92
TOTAL ASSETS	\$ 289,918	\$ 2,717,768	\$ 101,854	\$ 433,929	\$ 251,912	\$ -	\$ 3,795,381
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES							
Liabilities:							
Accounts, salaries, and other current payables	\$ 29,746	\$ 856	\$ -	\$ -	\$ -	\$ -	\$ 30,602
Due to other funds	29,768	-	-	-	-	-	29,768
Deposits	250	-	-	-	-	-	250
Total liabilities	59,764	856	-	-	-	-	60,620
Deferred inflows:							
Deferred revenue - unavailable	-	92,964	-	-	-	-	92,964
Fund balances:							
Restricted	565	2,623,948	101,854	433,929	-	-	3,160,296
Committed	-	-	-	-	251,912	-	251,912
Unassigned	229,589	-	-	-	-	-	229,589
Total fund balances	230,154	2,623,948	101,854	433,929	251,912	-	3,641,797
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 289,918	\$ 2,717,768	\$ 101,854	\$ 433,929	\$ 251,912	\$ -	\$ 3,795,381

The accompanying notes are an integral part of these financial statements.

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2025**

**Amounts reported for governmental activities
in the statement of net position are different because:**

Total fund balances	\$ 3,641,797
Capital assets used in governmental activities are not financial resources and, therefore, are deferred in the funds.	1,686,543
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	92,964
Deferred outflows - pension related	132,518
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated absences payable	(101,572)
Net pension liability	(948,642)
Deferred inflows - pension related	<u>(48,744)</u>
Net position of governmental activities	<u>\$ 4,454,864</u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025**

	General	Sales Tax	Street	Cemetery	Economic Development	American Rescue Plan	Total Governmental Funds
Revenues:							
Taxes:							
Ad valorem	\$ 147,802	\$ -	\$ 98,447	\$ 39,326	\$ -	\$ -	\$ 285,575
Sales and use	-	1,035,707	-	-	-	-	1,035,707
Other taxes							
Franchise taxes	67,521	-	-	-	-	-	67,521
Licenses and permits	164,098	-	-	-	-	-	164,098
Intergovernmental funds:							
Federal government grants	2,541	-	-	-	-	-	2,541
State government grants	81,973	-	-	-	-	-	81,973
Charges for services	192	-	2,598	6,600	-	-	9,390
Fines and forfeitures	54,761	-	-	-	-	-	54,761
Investment earnings	4,557	14,684	-	1,337	6,283	-	26,861
Rents and royalties	11,869	-	-	-	7,800	-	19,669
Contributions and donations							
from private sources	3,000	100	-	-	-	-	3,100
Other revenues	37,473	1,709	1,557	-	-	34	40,773
Total revenues	575,787	1,052,200	102,602	47,263	14,083	34	1,791,969
Expenditures:							
Current:							
General government:	148,548	700,376	1,384	-	-	75,759	926,067
Public safety	609,995	25,000	-	-	-	-	634,995
Highways and streets	-	-	105,149	-	-	-	105,149
Utilities	213	-	-	-	-	-	213
Cemeteries	-	33,236	-	12,909	-	-	46,145
Health and welfare	1,180	-	-	-	-	-	1,180
Culture and recreation	1,838	-	-	-	-	-	1,838
Economic development and assistance	-	-	-	-	18,881	-	18,881
Capital outlay	88,058	-	16,201	-	-	-	104,259
Total expenditures	849,832	758,612	122,734	12,909	18,881	75,759	1,838,727
Excess (deficiency) of revenues over expenditures	(274,045)	293,588	(20,132)	34,354	(4,798)	(75,725)	(46,758)
Other sources (uses):							
Operating transfers in	270,000	-	55,565	-	-	-	325,565
Operating transfers out	(565)	(325,000)	-	-	-	(126,626)	(452,191)
Total other sources (uses)	269,435	(325,000)	55,565	-	-	(126,626)	(126,626)
Net change in fund balances	(4,610)	(31,412)	35,433	34,354	(4,798)	(202,351)	(173,384)
Fund balances at beginning of year	234,764	2,655,360	66,421	399,575	256,710	202,351	3,815,181
Fund balances at end of year	\$ 230,154	\$ 2,623,948	\$ 101,854	\$ 433,929	\$ 251,912	\$ -	\$ 3,641,797

The accompanying notes are an integral part of these financial statements.

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS' STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

**Amounts reported for governmental activities
in the statement of net position are different because:**

Net change in fund balances - total governmental funds **\$ (173,384)**

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.

Capital outlay	104,259
Depreciation expense	(167,404)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Amount deferred in current year governmental balance sheet	92,964
Amount deferred in prior year governmental balance sheet	(84,207)

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.

Change in compensated absences payable	(48,265)
Change in net pension liability and deferred inflows and outflows	<u>26,256</u>

Change in net position of governmental activities **\$ (249,781)**

The accompanying notes are an integral part of these financial statements.

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025**

ASSETS	Water	Sewer	Total Proprietary Funds
Current assets:			
Cash and cash equivalents - unrestricted	\$ 926,353	\$ 558,797	\$ 1,485,150
Cash and cash equivalents - restricted	106,162	109,041	215,203
Receivables	125,196	193,610	318,806
Inventory of materials and supplies	9,150	-	9,150
Total current assets	<u>1,166,861</u>	<u>861,448</u>	<u>2,028,309</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation	<u>3,396,100</u>	<u>1,266,360</u>	<u>4,662,460</u>
TOTAL ASSETS	<u>4,562,961</u>	<u>2,127,808</u>	<u>6,690,769</u>
DEFERRED OUTFLOWS			
Deferred outflows - pension related	<u>2,176</u>	<u>2,176</u>	<u>4,352</u>
LIABILITIES			
Current liabilities:			
Accounts, salaries, and other current payables	38,020	192,375	230,395
Due to other funds	-	56,142	56,142
Deposits	78,724	-	78,724
Total current liabilities	<u>116,744</u>	<u>248,517</u>	<u>365,261</u>
Noncurrent liabilities:			
Compensated absences payable	9,550	14,538	24,088
Noncurrent liabilities - due within one year	-	31,000	31,000
Noncurrent liabilities - due in more than one year	-	356,701	356,701
Net pension obligation	47,836	47,836	95,672
Total noncurrent liabilities	<u>66,936</u>	<u>464,613</u>	<u>531,549</u>
TOTAL LIABILITIES	<u>183,680</u>	<u>713,130</u>	<u>896,810</u>
DEFERRED INFLOWS			
Deferred inflows - pension related	<u>3,409</u>	<u>3,409</u>	<u>6,818</u>
NET POSITION			
Net investment in capital assets	3,396,100	878,659	4,274,759
Restricted net position	1,538,235	-	1,538,235
Unrestricted net position	(546,737)	549,324	2,587
TOTAL NET POSITION	<u>\$ 4,387,598</u>	<u>\$ 1,427,983</u>	<u>\$ 5,815,581</u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

	Water	Sewer	Total Proprietary Funds
Operating revenues:			
Charges for services:			
Sanitation	\$ -	\$ 706,000	\$ 706,000
Utilities	549,475	-	549,475
Other revenues	27,674	14,905	42,579
Total operating revenues	<u>577,149</u>	<u>720,905</u>	<u>1,298,054</u>
Operating expenses:			
Sanitation:			
Personal services	-	186,115	186,115
Operating services	-	232,014	232,014
Materials and supplies	-	21,525	21,525
Travel and other charges	-	873	873
Depreciation	-	54,342	54,342
Utilities:			
Personal services	141,679	-	141,679
Operating services	215,992	-	215,992
Materials and supplies	57,498	-	57,498
Travel and other charges	19,509	-	19,509
Depreciation	178,291	-	178,291
Total operating expenses	<u>612,969</u>	<u>494,869</u>	<u>1,107,838</u>
Operating income (loss)	<u>(35,820)</u>	<u>226,036</u>	<u>190,216</u>
Nonoperating revenues (expenses):			
Intergovernmental revenues			
Federal government grants	-	391,981	391,981
State government grants	86,724	20,000	106,724
Local government grants	17,600	-	17,600
Investment earnings	4,715	-	4,715
Interest expense	-	(3,968)	(3,968)
Total nonoperating revenue (expenses)	<u>109,039</u>	<u>408,013</u>	<u>517,052</u>
Income (loss) before contributions and transfers	<u>73,219</u>	<u>634,049</u>	<u>707,268</u>
Interfund transfers in	126,626	-	126,626
Gain (loss) on sale of capital assets	814	-	814
Total contributions and transfers	<u>127,440</u>	<u>-</u>	<u>127,440</u>
Change in net position	200,659	634,049	834,708
Net position at beginning of year, restated	<u>4,186,939</u>	<u>793,934</u>	<u>4,980,873</u>
Net position at end of year	<u>\$ 4,387,598</u>	<u>\$ 1,427,983</u>	<u>\$ 5,815,581</u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

	Water	Sewer
Cash flows from operating activities:		
Receipts from customers and users	\$ 541,481	\$ 570,761
Other receipts	13,734	965
Payments to suppliers	(372,773)	(154,357)
Payments to employees	(76,036)	(93,912)
Net cash used by operating activities	<u>106,406</u>	<u>323,457</u>
Cash flows from noncapital financing activities:		
Subsidy from grants	42,600	20,000
Net cash provided by noncapital and related financing activities	<u>42,600</u>	<u>20,000</u>
Cash flows from capital and related financing activities:		
Proceeds from capital grants	178,661	391,981
Acquisition and construction of capital assets	(189,300)	(370,074)
Principal paid on capital debt	-	(30,000)
Interest paid on capital debt	-	(3,968)
Proceeds from sales of capital assets	814	-
Net cash used by capital and related financing activities	<u>(9,825)</u>	<u>(12,061)</u>
Cash flows from investing activities:		
Interest received	4,715	-
Net cash provided by investing activities	<u>4,715</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	143,896	331,396
Cash and cash equivalents, beginning of year (including amounts in restricted accounts)	<u>888,619</u>	<u>336,442</u>
Cash and cash equivalents, end of year (including amounts in restricted accounts)	<u>\$ 1,032,515</u>	<u>\$ 667,838</u>
Reconciliation of Cash and Cash Equivalents to Statement of Net Position:		
Cash and cash equivalents - unrestricted	\$ 926,353	\$ 558,797
Cash and cash equivalents - restricted	<u>106,162</u>	<u>109,041</u>
Total cash and cash equivalents	<u>\$ 1,032,515</u>	<u>\$ 667,838</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ (35,820)	\$ 226,036
Adjustments to reconcile operating loss to cash provided by operating activities:		
Depreciation expense	178,291	54,342
Pension related income and expense	(1,739)	(1,739)
(Increase) decrease in accounts receivable	108,544	(144,275)
(Increase) decrease in interfund balances	-	5,500
Increase (decrease) in accounts, salaries, and other current payables	(140,000)	169,055
Increase (decrease) in compensated absences payable	(4,802)	14,538
Increase (decrease) in customer deposits	1,932	-
Total adjustments	<u>142,226</u>	<u>97,421</u>
Net cash used by operating activities	<u>\$ 106,406</u>	<u>\$ 323,457</u>
Noncash investing, capital, and financing activities:		
None		

The accompanying notes are an integral part of these financial statements.

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Oak Grove, Louisiana, (the Town) was incorporated January 13, 1909, and on January 4, 1966, adopted the provisions of The Home Rule Charter as provided by State Law Reference L.R.S. 33:1381-1390. A copy of the ratified charter is recorded in Charter Book "B" at page 401 of the records of West Carroll Parish, Louisiana. As of 2020, the Town had a population of 1,441. The citizens elect the Mayor, who is the executive officer, and the five Council members. The Council elects the Mayor Pro-Tem.

The accompanying basic financial statements of the Town of Oak Grove have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

The basic financial statements present the financial position and results of operations of the various funds of the Town and the cash flows of the proprietary funds as of and for the year ended June 30, 2025.

Reporting Entity

The Town's basic financial statements consist of financial information of the various funds and activities that comprise the Town's legal entity. GASB Statement No. 14, *The Financial Reporting Entity*, as amended, provides that a legally separate entity is considered a component unit of the Town if at least one of the following criteria is met:

- The Town appoints a voting majority of the organization's governing body and is either able to impose its will on the organization or there is a potential financial benefit/burden to the Town.
- The entity is fiscally dependent on the Town and there is a potential financial benefit/burden to the State.
- The nature and significance of the relationship between the Town and the entity is such that exclusion would cause the financial statements of the Town to be misleading.

Under provisions of this Statement, the Town is considered a primary government since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. The Town has no component units.

Basis of Presentation

The basic financial statements include the government-wide financial statements, fund financial statements, notes to the basic financial statements, and required supplementary information other than the MD&A.

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

The government-wide financial statements consist of a governmental activities column and a business-type activities column. Together these two columns comprise the financial information of the primary government. Fund financial statements are presented to provide additional detail supporting the information presented in the government-wide financial statements. The fund financial statements consist of financial statements for governmental funds and proprietary funds (enterprise funds).

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Major revenues such as ad valorem taxes and sales taxes are assessed, collected and susceptible to accrual. Assets, liabilities, revenues, and expenses of the government are reported in the financial statements. The statements distinguish between the governmental and business-type activities of the Town by reporting each in a separate column.

All capital (long-lived) assets, receivables, and long-term obligations are reported in the Statement of Net Position. The Statement of Activities reports revenues and expenses in a format that allows the reader to focus on the net cost of each function of the Town. Both the gross and net cost per function, which is otherwise being supported by general government revenues, is compared to the revenues generated directly by the function. In the Statement of Activities, gross expenses, including depreciation, are reduced by related program revenues, which are comprised of charges for services, operating grants, and capital grants. Direct and indirect expenses are reported as program expenses for individual functions and activities. The program revenues must be directly associated with the function or a business-type activity. The types of transactions included in program revenues are licenses and permits, fines, lease income, court costs, charges for mowing, and charges for gravesites. The operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The fund financial statements report the Town as a collection of major and nonmajor funds presented on separate schedules by fund category – governmental, proprietary, and fiduciary funds.

- The governmental fund statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances, with one column for the general fund, one for each of the other major funds, and one column combining all the nonmajor governmental funds. The Town does not have any nonmajor governmental funds. The statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period, generally considered sixty days after the end of the fiscal year. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest payments on general long-term liabilities which are recognized when due.
- The proprietary fund statements include a statement of net position; a statement of revenues, expenses, and changes in fund net position; and a statement of cash flows. Each statement has a column for each major enterprise fund. The Town does not have any nonmajor proprietary funds or internal service funds. The proprietary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting in order to make a determination of net income, financial position, and cash flows.

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Although the financial statements presented in each of these three schedules contain “total” columns, they merely combine rather than consolidate the funds. Hence, interfund transactions that generate receivables and payables or transfers from one fund to another are not eliminated.

Major funds are those whose revenues, expenditures/expenses, assets, or liabilities are at least ten percent of the total for their fund category or type (governmental or enterprise) and at least five percent of the corresponding element total for all governmental and enterprise funds combined.

The data on the face of the three sets of financial statements must be accompanied by certain disclosures to ensure accurate information is presented in the form of a single set of notes to the basic financial statements.

The major governmental funds of the Town are the General Fund, the Sales Tax Fund, the Street Fund, the Economic Development Fund, the Debt Service Fund, and the Cemetery Fund.

The General Fund is the Town’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Sales Tax Special Revenue Fund accounts for a twenty-year one percent sales tax levied in 2017 for the purpose of maintaining streets and drainage, purchasing police equipment, and other legal purposes consistent with the Town’s purpose.

The Street Special Revenue Fund accounts for property taxes dedicated to street maintenance.

The Economic Development Fund accounts for funds committed by the Council for economic development within the Town.

The Cemetery Special Revenue Fund accounts for property taxes dedicated to the operation and maintenance of the cemetery.

The American Rescue Plan Fund accounts for funds received under the federal American Rescue Plan Act.

The Town reports two major enterprise funds, the Water and Sewer Funds.

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position, Equity, or Net Fund Balances

Cash and Investments

The Town Clerk pools those cash resources for which she is responsible and invests them accordingly. For purposes of the financial statements, including the Statement of Cash Flows, the Town considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments are reported at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Cash and investment earnings are recorded in the Fund that holds the investment.

Receivables and Payables

Activity between funds that is outstanding at the end the fiscal year is referred to as either “due to or from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” All internal balances are eliminated in the total primary government column. Receivables include all amounts susceptible to accrual that have not been collected at June 30, but will be collected soon enough after the end of the year to pay liabilities of that year. They include all amounts earned, but not collected at June 30. Receivables (net of any uncollectible amounts) and payables are reported on separate lines.

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied by the Town in September or October, are actually billed on October 1, and are mailed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year they are billed. The Town bills and collects its own property taxes using the assessed value determined by the assessor of West Carroll Parish. For the year ended June 30, 2025, taxes of 20.97 mills were levied on property with assessed valuations totaling \$13,562,416 as follows:

General corporate purposes	10.81 mills
Street maintenance	7.26 mills
Cemetery	2.90 mills

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position, Equity, or Net Fund Balances (Continued)

The following are the principal taxpayers and related property tax revenue for the Town:

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Ad Valorem Tax Revenue for Municipality</u>
Wal-Mart Real Estate Business Trust	\$ 891,000	7%	\$ 18,684
Regions Bank	743,467	5%	15,591
Wal-Mart Louisiana, LLC	689,558	5%	14,460
West Carroll Hospital	622,592	5%	13,056
Guaranty Bank and Trust Co.	541,160	4%	10,934
Currency Bank	442,901	3%	9,288
Commerical Capital Bank	424,088	3%	8,893
Superior Group of Companies	403,380	3%	8,459
Carroll Propco LLC	213,887	2%	4,485
Atmos Energy Corporation	496,340	4%	4,182
Totals	<u>\$ 5,468,373</u>	<u>41%</u>	<u>\$ 108,032</u>

Inventories and Prepaid Items

Inventories consisting of office supplies and water and sewer plant supplies held for consumption are valued using the average cost method. The consumption method is used for financial reporting. Certain payments reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

Restricted assets represent primarily cash and investments held separately and restricted according to bond indenture agreements. Cash held for water customer meter deposits is also reported as restricted.

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position, Equity, or Net Fund Balances (Continued)

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 financial statements. Infrastructure is reported from 1997 and forward and includes streets. Capital assets are recorded as expenditures in each fund and capitalized at the government-wide level. Capital assets of enterprise funds are reported in the respective funds. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. The Town's capitalization threshold is \$5,000. For reporting purposes, the Town defines capital assets as follows:

- Land is an inexhaustible asset with no capitalization threshold and an unlimited useful life; therefore, it is not depreciated.
- Buildings are permanent structures erected above ground, while improvements are major repairs, renovations, or additions that increase the future service potential of the asset. Leasehold improvements are improvements made by the lessee to leased property. They are depreciated principally using the straight-line method with an estimated useful life typically of 40 years for structures and improvements and 20 years for depreciable land improvements. Leasehold improvements are depreciated using the straight-line method with an estimated useful life depending on the term of the lease. Construction-in-progress is not depreciated.
- Movable property (furniture, equipment, and vehicles) consists of assets that are not fixed or stationary in nature. The straight-line method of depreciation is used, which divides the historical cost by the estimated useful life of the asset, generally 5 to 10 years.
- Infrastructure assets are roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems. Infrastructure is depreciated using the straight-line method with an estimated useful life of 40 years.
- Purchased computer software is depreciated using the straight-line method over an estimated useful life of 3 years.
- Donated capital assets are recorded at their estimated fair value at the date of donation.

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position, Equity, or Net Fund Balances

Compensated absences

An employee must have been in the service of the Town for at least one year to be eligible for annual leave. Employees' vacations are determined by length of service with the Town according to the following: one–two years, one week; two–ten years, two weeks; and more than ten years, three weeks. Employees may not carry over or accumulate annual leave from one year to another. After one year, employees are entitled to three hardship days to be approved by the department head and the mayor. Any employee who dies while employed by the Town of Oak Grove is entitled to be paid any vacation days not taken during that calendar year. All payments will be made to the employee's estate.

Leave from work with pay may be charged as sick leave if the absence is due to sickness, bodily injury, quarantine, required physical or dental examinations or treatment, exposure to a contagious disease when continued work might jeopardize the health of others, and illness in the employee's immediate family. Employees are entitled to sick leave when they have worked full-time for the Town for six months. Each employee earns sick leave at the rate of one day for each month worked. An employee cannot accumulate more than 30 days of sick leave. All accumulated sick leave is forfeited upon termination of employment except upon retirement.

A municipal employee who is called for jury duty or as a witness for the federal or state governments or a subdivision thereof is entitled to leave with pay for such duty during the required absence. A municipal employee who is a member of the Reserved Military or National Guard is entitled to leave with pay for up to 15 days per year.

The Town does not provide compensatory time as a means of compensation.

Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental or business-type activities. In the fund financial statements, proprietary fund long-term obligations are reported as liabilities in the proprietary fund type statement of net position. Individual funds have been used to liquidate other long-term liabilities such as compensated absences, claims and litigation payable, etc. Bond premiums and discounts are deferred and amortized over the life of the bonds. In accordance with paragraph 16 of the Accounting Principles Board Opinion No. 21, unamortized balances of premiums and discounts are netted against the outstanding balance of the related bonds payable.

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Classifications and Net Position

Fund balances are reported under the following fund balance classifications:

Non-spendable	Includes fund balance amounts that cannot be spent either because it is not in spendable form or are legally or contractually required to be maintained intact.
Restricted	Includes amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
Committed	Includes amounts that can only be used for specific purposes pursuant to constraints that are internally imposed by the government through formal action of the Town Council and does not lapse at year-end.
Assigned	Includes amounts that are constrained by the Council's intent to be used for specific purposes that are neither considered restricted or committed.
Unassigned	Includes amounts that have not been assigned to other funds and that have not been restricted, committed or assigned to specific purposes within the General Fund. Negative fund balances in other governmental funds can also be classified as unassigned.

The Town has a general policy to first use restricted resources for expenditures incurred for which both restricted and unrestricted (committed, assigned, and unassigned) resources are available. When expenditures are incurred for which only unrestricted resources are available, the general policy of the Town is to use committed resources first, followed by assigned, and then unassigned. The use of restricted/committed resources may be deferred based on a review of the specific transaction.

The difference between assets and liabilities is "net position" on the government-wide, proprietary, and fiduciary fund statements. Net position is segregated into three categories on the government-wide statement of net position:

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.

Restricted net position - Consists of net position with constraints 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 legislations. The Town first uses restricted net position for expenses incurred when both restricted and unrestricted net position are available for use. The use of restricted net position may be deferred based on a review of the specific transaction.

Unrestricted net position – The balance of net position that does not meet the definition of "restricted" or "net investment in capital assets."

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Classifications and Net Position (Continued)

Reconciliation of Government-wide and Fund Financial Statements

The governmental fund balance sheet includes a reconciliation of the government-wide statements to the governmental fund financial statements. This reconciliation is necessary to bring the financial statements from the current financial resources measurement focus and modified accrual basis of accounting to the economic measurement focus and full accrual basis of accounting. Major items included in the reconciliation are capital assets, inventories and prepaids, long-term debt, accrued interest, long-term liabilities, and deferred revenue, which are shown on the government-wide but not the governmental fund statements.

Budgets

The Town of Oak Grove (Mayor and Council) uses the following budget practices:

Prior to June 30, the Town Clerk submits to the Mayor and Council Members a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year. The budget is submitted in summary form. In addition, more detailed line-item budgets are included for administrative control. The level of control for the detailed budgets is at the department head/function level.

Public hearings are conducted to obtain taxpayer comments.

During the month of July, the budget is legally enacted through passage of an ordinance.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and the Debt Service Fund.

Budgets are adopted on the modified accrual basis.

Appropriations lapse at the end of each fiscal year.

The Mayor and Council Members may authorize supplemental appropriations during the year.

Use of estimates

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

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 2 - CASH AND CASH EQUIVALENTS

Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposits may not be returned to it. The Town’s policy to ensure that there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. The policy is not a formal written policy. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Town that the fiscal agent bank has failed to pay deposited funds upon demand.

At June 30, 2025, the Town has cash and cash equivalents (book balances) as follows:

Cash and cash equivalents:	
Demand deposits	\$ 2,902,992
Time deposits	2,104,345
Petty cash	<u>3,564</u>
Total	<u>5,010,901</u>
Cash and cash equivalents – restricted:	
Demand deposits	143,786
Time deposits	<u>71,417</u>
Total	<u>215,203</u>
Total	<u><u>\$ 5,226,104</u></u>

These deposits are stated at cost which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal 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. As of June 30, 2025, \$3,477,930 of the Town’s bank balances of \$5,435,021 was exposed to custodial credit risk as follows:

Insured by FDIC	<u>\$ 1,957,091</u>
Uninsured and uncollateralized	-
Collateralized by pledged securities not in the Town's name	<u>3,477,930</u>
Total balances exposed to custodial credit risk	<u>3,477,930</u>
Total bank balances	<u><u>\$ 5,435,021</u></u>

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 3 – RECEIVABLES

The following is a summary of receivables at June 30, 2025:

	<u>Sales Tax</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Receivables:				
Taxes	\$183,628	\$ -	\$ -	\$183,628
Accounts and other	-	130,369	193,610	323,979
Gross receivables	<u>183,628</u>	<u>130,369</u>	<u>193,610</u>	507,607
Less allowance for uncollectibles	-	(5,173)	-	(5,173)
Net total receivables	<u>\$183,628</u>	<u>\$125,196</u>	<u>\$193,610</u>	<u>\$502,434</u>

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**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 4 – CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2025, follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 74,750	\$ -	\$ -	\$ 74,750
Recreational vehicle hookups at park	1,270	-	-	1,270
Total capital assets not being depreciated	<u>76,020</u>	<u>-</u>	<u>-</u>	<u>76,020</u>
Capital assets being depreciated:				
Infrastructure	2,870,655	-	-	2,870,655
Buildings	446,022	-	-	446,022
Building improvements	444,325	36,475	-	480,800
Furniture and equipment	630,652	16,201	(110,130)	536,723
Other improvements	142,996	-	-	142,996
Vehicles	460,155	51,583	(89,099)	422,639
Total capital assets being depreciated	<u>4,994,805</u>	<u>104,259</u>	<u>(199,229)</u>	<u>4,899,835</u>
Less accumulated depreciation for:				
Infrastructure	1,784,581	73,467	-	1,858,048
Buildings	400,173	2,627	-	402,800
Building improvements	223,201	10,303	-	233,504
Furniture and equipment	559,887	14,261	(110,130)	464,018
Other improvements	44,688	7,588	-	52,276
Vehicles	308,607	59,158	(89,099)	278,666
Total accumulated depreciation	<u>3,321,137</u>	<u>167,404</u>	<u>(199,229)</u>	<u>3,289,312</u>
Total capital assets being depreciated	<u>1,673,668</u>	<u>(63,145)</u>	<u>-</u>	<u>1,610,523</u>
Governmental activities, capital assets, net	<u>\$ 1,749,688</u>	<u>\$ (63,145)</u>	<u>\$ -</u>	<u>\$ 1,686,543</u>

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 4 – CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities - Water:				
Capital assets not being depreciated:				
Land	\$ 10,756	\$ -	\$ -	\$ 10,756
Construction in progress	224,850	94,650	(319,500)	-
Total capital assets not being depreciated	<u>235,606</u>	<u>94,650</u>	<u>(319,500)</u>	<u>10,756</u>
Capital assets being depreciated:				
Infrastructure	6,469,034	402,820	-	6,871,854
Building improvements	27,954	-	-	27,954
Furniture and equipment	114,080	-	(37,687)	76,393
Vehicles	115,237	-	-	115,237
Total capital assets being depreciated	<u>6,726,305</u>	<u>402,820</u>	<u>(37,687)</u>	<u>7,091,438</u>
Less accumulated depreciation for:				
Infrastructure	3,313,794	173,829	-	3,487,623
Building improvements	27,954	-	-	27,954
Furniture and equipment	114,080	-	(37,687)	76,393
Vehicles	109,662	4,462	-	114,124
Total accumulated depreciation	<u>3,565,490</u>	<u>178,291</u>	<u>(37,687)</u>	<u>3,706,094</u>
Total capital assets being depreciated	<u>3,160,815</u>	<u>224,529</u>	<u>-</u>	<u>3,385,344</u>
Business-type activities - Water, capital assets, net	<u>\$ 3,396,421</u>	<u>\$ 319,179</u>	<u>\$ (319,500)</u>	<u>\$ 3,396,100</u>

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 4 – CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities - Sewer:				
Capital assets not being depreciated:				
Construction in progress	\$ 21,907	\$ 370,074	\$ -	\$ 391,981
Capital assets being depreciated:				
Infrastructure	2,154,861	-	(554)	2,154,307
Buildings	1,815	-	-	1,815
Building improvements	3,472	-	-	3,472
Furniture and equipment	30,799	-	(2,253)	28,546
Total capital assets being depreciated	<u>2,190,947</u>	<u>-</u>	<u>(2,807)</u>	<u>2,188,140</u>
Less accumulated depreciation for:				
Infrastructure	1,226,139	54,343	(554)	1,279,928
Buildings	1,815	-	-	1,815
Building improvements	3,472	-	-	3,472
Furniture and equipment	30,799	-	(2,253)	28,546
Total accumulated depreciation	<u>1,262,225</u>	<u>54,343</u>	<u>(2,807)</u>	<u>1,313,761</u>
Total capital assets being depreciated	<u>928,722</u>	<u>(54,343)</u>	<u>-</u>	<u>874,379</u>
Business-type activities - Sewer capital assets, net	<u>\$ 950,629</u>	<u>\$ 315,731</u>	<u>\$ -</u>	<u>\$ 1,266,360</u>

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 4 – CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities - total:				
Capital assets not being depreciated:				
Land	\$ 10,756	\$ -	\$ -	\$ 10,756
Construction in progress	246,757	464,724	(319,500)	391,981
Total capital assets not being depreciated	<u>257,513</u>	<u>464,724</u>	<u>(319,500)</u>	<u>402,737</u>
Capital assets being depreciated:				
Infrastructure	8,623,895	402,820	(554)	9,026,161
Buildings	1,815	-	-	1,815
Building improvements	31,426	-	-	31,426
Furniture and equipment	144,879	-	(39,940)	104,939
Vehicles	115,237	-	-	115,237
Total capital assets being depreciated	<u>8,917,252</u>	<u>402,820</u>	<u>(40,494)</u>	<u>9,279,578</u>
Less accumulated depreciation for:				
Infrastructure	4,539,933	228,172	(554)	4,767,551
Buildings	1,815	-	-	1,815
Building improvements	31,426	-	-	31,426
Furniture and equipment	144,879	-	(39,940)	104,939
Vehicles	109,662	4,462	-	114,124
Total accumulated depreciation	<u>4,827,715</u>	<u>232,634</u>	<u>(40,494)</u>	<u>5,019,855</u>
Total capital assets being depreciated	<u>4,089,537</u>	<u>170,186</u>	<u>-</u>	<u>4,259,723</u>
Business-type activities - total, capital assets, net	<u>\$ 4,347,050</u>	<u>\$ 634,910</u>	<u>\$ (319,500)</u>	<u>\$ 4,662,460</u>

Depreciation expense was charged as follows:

Governmental activities:

General government	\$ 12,189
Public safety	36,124
Highways and streets	101,611
Culture and recreation	12,231
Economic development	5,249
Total	<u>\$ 167,404</u>

Business-type activities:

Water	\$ 178,291
Sewer	54,343
Total	<u>\$ 232,634</u>

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 5 – INTERFUND BALANCES AND TRANSFERS

Interfund balances and transfers during the year ended June 30, 2025, were as follows:

		Due To		
		Sales		
		General	Tax	Total
Due From	General	\$ 10,486	\$ 19,282	\$ 29,768
	Sewer	-	56,142	56,142
	Total	<u>\$ 10,486</u>	<u>\$ 75,424</u>	<u>\$ 85,910</u>

		Transfers out			
		Sales		American	
		General	Tax	Rescue Plan	Total
Transfers in	General	\$ -	\$ 270,000	\$ -	\$ 270,000
	Street	565	55,000	-	55,565
	Water	-	-	126,626	126,626
	Total	<u>\$ 565</u>	<u>\$ 325,000</u>	<u>\$ 126,626</u>	<u>\$ 452,191</u>

Balances are due to electronic transfers from grantors, bills paid by other funds, or errors. Transfers are used to move unrestricted revenues to finance various programs that the Town must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant projects.

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 6 – LONG-TERM OBLIGATIONS

Bonds payable at June 30, 2025, are comprised of the following:

Sewer Revenue Bonds, Series 2017 (DEQ) - \$1,000,000 issued August 10, 2017, principal due in annual installments of \$3,000 to \$34,000 through April 1, 2037, interest 0.4500% payable semiannually, payments are made from the Sewer Fund.	<u>\$ 387,701</u>
Clean Water Sewer Revolving Fund (DEQ) - \$71,086 issued December 2024, per documentation, all of this will be forgiven by DEQ upon the receipt of funds.	<u>\$ -</u>
Total	<u><u>\$ 387,701</u></u>

The annual requirements to amortize all certificates of indebtedness outstanding at June 30, 2025, are as follows:

<u>Year Ended June 30,</u>	Sewer Revenue Bonds, Series 2017 (DEQ)	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 31,000	\$ 1,745
2027	31,000	1,605
2028	31,000	1,466
2029	32,000	1,326
2030	32,000	1,182
2031-2035	163,000	3,737
2036-2037	67,701	381
Total	<u>\$ 387,701</u>	<u>\$ 11,442</u>

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 6 – LONG-TERM OBLIGATIONS (CONTINUED)

Long-term obligation activity for the year ended June 30, 2025, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Adjustments</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:						
Compensated absences	\$ 53,308	\$ 67,898	\$ (62,240)	\$ 42,606	\$ 101,572	\$ 41,224
Net pension liability - MERS	297,849	-	(93,872)	-	203,977	-
Net pension liability - MPERS	802,114	-	(57,449)	-	744,665	-
Governmental activity long-term liabilities	<u>\$1,153,271</u>	<u>\$ 67,898</u>	<u>\$(213,561)</u>	<u>\$ 42,606</u>	<u>\$1,050,214</u>	<u>\$ 41,224</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Adjustments</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:						
Sewer Revenue Bonds, Series 2017 (DEQ)	\$ 417,701	\$ -	\$ (30,000)	\$ -	\$ 387,701	\$ 31,000
CWSRF (DEQ)	-	71,086	(71,086)	-	-	-
Compensated absences	14,352	16,102	(14,760)	8,394	24,088	9,776
Net Pension Liability - MERS	110,997	-	(15,325)	-	95,672	-
Business-type activity long-term liabilities	<u>\$ 543,050</u>	<u>\$ 87,188</u>	<u>\$(131,171)</u>	<u>\$ 8,394</u>	<u>\$ 507,461</u>	<u>\$ 40,776</u>

NOTE 7 – RETIREMENT SYSTEMS

Municipal Employees' Retirement System of Louisiana (System)

Plan Description

The Town of Oak Grove contributes to the Municipal Employees' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System.

Any member of Plan B who was hired before January 1, 2013, can retire providing the member meets one of the following criteria:

1. Any age with 30 years of creditable service.
2. Age 60 with a minimum of ten or more years of creditable service.
3. Any age with ten years of creditable service eligible for disability benefits.
4. Survivor's benefits require five years creditable service at death of member.

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 7 – RETIREMENT SYSTEMS (CONTINUED)

Municipal Employees' Retirement System of Louisiana (System) (Continued)

Eligibility for retirement for Plan B members hired on or after January 1, 2013, is as follows:

1. Age 67 with seven or more years of creditable service.
2. Age 62 with ten or more years of creditable service.
3. Age 55 with thirty or more years of creditable service.
4. Any age with twenty-five years of creditable service, exclusive of military service and unused side leave. However, any member retiring under this subsection shall have their benefit actuarially reduced from the earliest age of which the member would be entitled to a vested deferred benefit under any provision of this section if the member had continued in service to that age.

Generally, the monthly amount of the retirement shall consist of an amount equal to 3% of the employee's final compensation multiplied by his or her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810, or by visiting the System's website www.mersla.com.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2025, the actual employer contribution rate was 15.50% for Plan B, 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 accrued liability. In accordance with state statute, the System receives 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 but are not considered special funding situations.

Under Plan B, members are required by state statute to contribute 5.00% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Town of Oak Grove to the System monthly. The Town of Oak Grove's contributions to the System under Plan B for the year ending June 30, 2025 were \$99,168.

Municipal Police Employees' Retirement System of Louisiana (System)

Plan Description

The Town of Oak Grove contributes to the Municipal Police Employees' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. Membership in the System is mandatory for all full-time police officers 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.

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 7 – RETIREMENT SYSTEMS (CONTINUED)

Municipal Police Employees' Retirement System of Louisiana (System) (Continued)

Any member of the Plan who was hired before January 1, 2013, can retire providing the member meets one of the following criteria:

1. Any age with 25 years of creditable service.
2. Age 50 with a minimum of twenty or more years of creditable service.
3. Age 55 with a minimum of twelve or more years of creditable service.
4. After 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

The monthly amount of benefits are 3 1/3% of their average final compensation (employee's average monthly earnings during the highest 36 consecutive or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Eligibility for retirement for members hired on or after January 1, 2013, is as follows:

Hazardous Duty

1. Any age with 25 years of creditable service.
2. Age 55 with twelve or more years of creditable service.
3. After 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

Non-Hazardous Duty

1. Any age with 30 years of creditable service.
2. Age 55 with 25 or more years of creditable service.
3. Age 60 with 10 or more years of creditable service.
4. After 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

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. The system also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Municipal Police Employees' Retirement System of Louisiana, 7722 Office Park Boulevard, Suite 200, Baton Rouge, Louisiana 70809, or by calling (225) 929-7411, or by visiting the System's website www.lampers.org.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2025, the actual employer contribution rate was 35.60%, 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 accrued liability. In accordance with state statute, the System receives 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 but are not considered special funding situations.

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 7 – RETIREMENT SYSTEMS (CONTINUED)

Municipal Police Employees' Retirement System of Louisiana (System) (Continued)

Members are required by state statute to contribute 8.00% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Town of Oak Grove to the System monthly. The Town of Oak Grove's contributions to the System for the year ending June 30, 2025, were \$110,466.

NOTE 8 – ON-BEHALF PAYMENTS

Certain employees in the Town's police department receive supplemental pay from the state of Louisiana. In accordance with GASB Statement No. 24, the Town has recorded revenues and expenditures for these payments in the General Fund. Revenues under this arrangement totaled \$46,080. The related expenditures of \$46,080 are included in public safety expenditures in the General Fund.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

The Town operates water and sewer treatment plants. These operations pose a high risk for environmental liabilities. The Town is required to have EPA permits for wastewater. The Town relies on the EPA for periodic testing and inspections to help identify environmental liabilities or contingencies. The Town contracts with a professional wastewater management company to ensure compliance with the EPA regulations.

At June 30, 2025, the Town was involved in litigation. However, based on consultation with legal counsel, management estimates there to be no losses.

NOTE 10 – RISK MANAGEMENT

The Town is exposed to various risks of loss relating to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 11 – FAVORABLE (UNFAVORABLE) VARIANCE

The following presents variances between budget and actual expenditures for the year ended June 30, 2025:

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General	\$ 804,500	\$ 939,000	\$ 850,397	\$ 88,603
Sales Tax	\$ 951,400	\$1,096,000	\$1,083,612	\$ 12,388
Street	\$ 127,000	\$ 157,000	\$ 122,734	\$ 34,266
Economic Development	\$ -	\$ 19,000	\$ 18,881	\$ 119
Cemetery	\$ 46,000	\$ 14,000	\$ 12,909	\$ 1,091

NOTE 12 - GRANTS

<u>Grantor</u>	<u>Program</u>	<u>Description</u>	<u>Revenues</u>	<u>Expenditures</u>
DEQ		Sewer Force Main Project	\$391,981	\$ 368,436
DHS/OHSEP		Police Supplies	2,541	2,541
		Total federal	<u>394,522</u>	<u>\$ 370,977</u>
DOA	LGAP 22/23	Rehabilitation/Renovation of Building/Legion Hut	4,076	
DOA	FP&C	Painting Elevated Tank	61,723	
DOA	CWEF 21-22	Replace deteriorated water lines	25,000	
DOA	LGAP 23/24	Restroom Remodel	31,818	
Treasury	Act 776	Upgrades to sewer wastewater collection	20,000	
DPS		Police Supplemental pay	46,080	
		Total state	188,697	
		Local	17,600	
		Total grant revenue	<u>\$600,819</u>	

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 13 – NEW ACCOUNTING STANDARDS

GASB Statement No. 103, *Financial Reporting Model Improvements* was issued April 2024. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Statement No. 104, *Disclosure of Certain Capital Assets*, was issued September 2024. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

NOTE 14 – PRIOR PERIOD ADJUSTMENT(S)

Management noted the prior year financial statements did not capture the full construction in progress related to a sewer grant project. The amount corrected is as follows,

	Beginning Balance	Adjustments	Beginning Balance, as Restated
Business-type Activites	\$ 4,967,797	\$ 13,076	\$ 4,980,873
	Beginning Balance	Adjustments	Beginning Balance, as Restated
Sewer Fund	\$ 780,858	\$ 13,076	\$ 793,934

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 15, 2025, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
Revenues:				
Taxes:				
Ad valorem	\$ 133,000	\$ 147,000	\$ 147,802	\$ 802
Other taxes				
Franchise taxes	79,000	68,000	67,521	(479)
Licenses and permits	152,000	146,000	164,098	18,098
Intergovernmental funds:				
Federal government grants	-	4,000	2,541	(1,459)
State government grants	101,000	145,000	81,973	(63,027)
Charges for services	7,000	-	192	192
Fines and forfeitures	45,000	59,000	54,761	(4,239)
Investment earnings	2,000	4,000	4,557	557
Rents and royalties	11,000	12,000	11,869	(131)
Contributions and donations from private sources	2,000	3,000	3,000	-
Other revenues	1,000	36,000	37,473	1,473
Total revenues	<u>533,000</u>	<u>624,000</u>	<u>575,787</u>	<u>(48,213)</u>
Expenditures:				
Current:				
General government:	177,000	169,000	148,548	(20,452)
Public safety	508,500	653,000	609,995	(43,005)
Utilities	-	-	213	213
Health and welfare	2,000	1,000	1,180	180
Culture and recreation	2,000	3,000	1,838	(1,162)
Capital outlay	45,000	88,000	88,058	58
Total expenditures	<u>734,500</u>	<u>914,000</u>	<u>849,832</u>	<u>(64,168)</u>
Excess (deficiency) of revenues over expenditures	<u>(201,500)</u>	<u>(290,000)</u>	<u>(274,045)</u>	<u>15,955</u>
Other sources (uses):				
Operating transfers in	180,000	275,000	270,000	(5,000)
Operating transfers out	<u>(70,000)</u>	<u>(25,000)</u>	<u>(565)</u>	<u>24,435</u>
Total other sources (uses)	<u>110,000</u>	<u>250,000</u>	<u>269,435</u>	<u>19,435</u>
Net change in fund balances	(91,500)	(40,000)	(4,610)	35,390
Fund balances at beginning of year	<u>262,901</u>	<u>271,761</u>	<u>234,764</u>	<u>(36,997)</u>
Fund balances at end of year	<u>\$ 171,401</u>	<u>\$ 231,761</u>	<u>\$ 230,154</u>	<u>\$ (1,607)</u>

Note: This schedule is prepared on the modified accrual basis.

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**SPECIAL REVENUE FUND – SALES TAX FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
Revenues:				
Taxes:				
Sales and use	\$ 999,000	\$ 1,039,000	\$ 1,035,707	\$ (3,293)
Intergovernmental funds:				
State government grants	-	-	-	-
Investment earnings	4,000	14,000	14,684	684
Contributions and donations from private sources	-	-	100	100
Other revenues	1,000	2,000	1,709	(291)
Total revenues	<u>1,004,000</u>	<u>1,055,000</u>	<u>1,052,200</u>	<u>(2,800)</u>
Expenditures:				
Current:				
General government:	659,400	711,000	700,376	10,624
Public safety	25,000	25,000	25,000	-
Highways and streets	1,000	-	-	-
Cemeteries	34,000	31,000	33,236	(2,236)
Health and welfare	2,000	4,000	-	4,000
Total expenditures	<u>721,400</u>	<u>771,000</u>	<u>758,612</u>	<u>12,388</u>
Excess (deficiency) of revenues over expenditures	<u>282,600</u>	<u>284,000</u>	<u>293,588</u>	<u>(15,188)</u>
Other sources (uses):				
Operating transfers out	<u>(230,000)</u>	<u>(325,000)</u>	<u>(325,000)</u>	<u>-</u>
Total other sources (uses)	<u>(230,000)</u>	<u>(325,000)</u>	<u>(325,000)</u>	<u>-</u>
Net change in fund balances	52,600	(41,000)	(31,412)	9,588
Fund balances at beginning of year	<u>2,101,966</u>	<u>2,614,170</u>	<u>2,655,360</u>	<u>41,190</u>
Fund balances at end of year	<u><u>\$2,154,566</u></u>	<u><u>\$2,573,170</u></u>	<u><u>\$2,623,948</u></u>	<u><u>\$ 50,778</u></u>

Note: This schedule is prepared on the modified accrual basis.

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**SPECIAL REVENUE FUND – STREET FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
Revenues:				
Taxes:				
Ad valorem	\$ 90,000	\$ 98,000	\$ 98,447	\$ 447
Intergovernmental funds:				
State government grants	-	-	-	-
Charges for services	-	3,000	2,598	(402)
Other revenues	-	3,000	1,557	(1,443)
Total revenues	<u>90,000</u>	<u>104,000</u>	<u>102,602</u>	<u>(1,398)</u>
Expenditures:				
Current:				
General government:	1,000	1,000	1,384	(384)
Highways and streets	114,000	140,000	105,149	34,851
Capital outlay	12,000	16,000	16,201	(201)
Total expenditures	<u>127,000</u>	<u>157,000</u>	<u>122,734</u>	<u>34,266</u>
Excess (deficiency) of revenues over expenditures	<u>(37,000)</u>	<u>(53,000)</u>	<u>(20,132)</u>	<u>32,868</u>
Other sources (uses):				
Operating transfers in	50,000	55,000	55,565	565
Proceeds from the sale of assets	3,000	-	-	-
Total other sources (uses)	<u>53,000</u>	<u>55,000</u>	<u>55,565</u>	<u>565</u>
Net change in fund balances	16,000	2,000	35,433	33,433
Fund balances at beginning of year	83,058	68,665	66,421	(2,244)
Fund balances at end of year	<u>\$ 99,058</u>	<u>\$ 70,665</u>	<u>\$ 101,854</u>	<u>\$ 31,189</u>

Note: This schedule is prepared on the modified accrual basis.

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**SPECIAL REVENUE FUND – CEMETERY FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
Revenues:				
Taxes:				
Ad valorem	\$ 36,000	\$ 39,000	\$ 39,326	\$ 326
Charges for services	18,000	6,000	6,600	600
Investment earnings	2,000	1,000	1,337	337
Total revenues	<u>56,000</u>	<u>46,000</u>	<u>47,263</u>	<u>1,263</u>
Expenditures:				
Current:				
Cemeteries	11,000	14,000	12,909	1,091
Capital outlay	35,000	-	-	-
Total expenditures	<u>46,000</u>	<u>14,000</u>	<u>12,909</u>	<u>1,091</u>
Net change in fund balances	10,000	32,000	34,354	2,354
Fund balances at beginning of year	<u>373,458</u>	<u>441,853</u>	<u>399,575</u>	<u>(42,278)</u>
Fund balances at end of year	<u>\$ 383,458</u>	<u>\$ 473,853</u>	<u>\$ 433,929</u>	<u>\$ (39,924)</u>

Note: This schedule is prepared on the modified accrual basis.

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**SPECIAL REVENUE FUND – ECONOMIC DEVELOPMENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
Revenues:				
Investment earnings	\$ 1,000	\$ 6,000	\$ 6,283	\$ 283
Rents and royalties	8,000	8,000	7,800	(200)
Total revenues	<u>9,000</u>	<u>14,000</u>	<u>14,083</u>	<u>83</u>
Expenditures:				
Current:				
Economic development and assistance	-	19,000	18,881	119
Total expenditures	<u>-</u>	<u>19,000</u>	<u>18,881</u>	<u>119</u>
Net change in fund balances	9,000	(5,000)	(4,798)	202
Fund balances at beginning of year	237,892	263,380	256,710	(6,670)
Fund balances at end of year	<u>\$246,892</u>	<u>\$ 258,380</u>	<u>\$ 251,912</u>	<u>\$ (6,468)</u>

Note: This schedule is prepared on the modified accrual basis.

OTHER SUPPLEMENTARY SCHEDULES

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS, REIMBURSEMENTS
AND OTHER PAYMENTS TO OR ON BEHALF OF AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2025**

Hubert Rollinson, Mayor:	
Salary	\$ 24,000
Benefits	1,836
Reimbursements:	
Conference registrations and travel expenses	1,383
Phone	530

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**SCHEDULE OF COMPENSATION TO TOWN COUNCIL
FOR THE YEAR ENDED JUNE 30, 2025**

Jimmy Holland	\$ 1,000
Richard B. Allen	1,200
Timothy Phillips	1,100
Todd Nevels	1,000
Garland C. Walker	400
Darain Hayes	<u>300</u>
Total	<u>\$ 5,000</u>

Town of Oak Grove
Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session
FYE 6/30/2025

	First Six Month Period Ended 12/31/2024	Second Six Month Period Ended 6/30/2025
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	-	-
Add: Collections		
Criminal Court Costs/Fees	3,813	2,357
Criminal Fines - Other/Non-Contempt	14,651	9,682
Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	13,413	12,417
Total Collected	31,877	24,456
Deductions: Collections Retained by the Town of Oak Grove		
Other Amounts "Self-Disbursed" [Enter amounts on appropriate collection type lines]		
Criminal Court Costs/Fees	2,985	1,614
Criminal Fines - Other/Non-Contempt	14,651	9,682
Collection Fees	13,413	12,417
Total Collections Retained by the Town od Oak Grove	31,049	23,713
Deductions: Total Disbursements to Other Governements & Nonprofits	828	743
Total Amounts Disbursed/Retained	31,877	24,456
Ending Cash Balance	-	-
Ending Balance of "Partial Payments" Collected but not Disbursed	-	-
Other Information		
Ending Balance of Amounts Assessed but Not Yet Collected [i.e. total ending receivable balances]	-	-

OTHER REPORTS



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*

To the Honorable Hubert Rollinson, Jr., Mayor
and the Honorable Members of the Town Council

Town of Oak Grove
Oak Grove, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, the business-type activities, and each major fund, of Town of Oak Grove, Louisiana, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Town of Oak Grove, Louisiana's basic financial statements, and have issued our report thereon dated December 15, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Town of Oak Grove
Oak Grove, Louisiana
Independent Auditor's Report - GAGAS
June 30, 2025

Purpose of This Report

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

BOSCH & STATHAM, LLC

Bosch & Statham, LLC

Ruston, Louisiana

December 15, 2025

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2025**

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the Town of Oak Grove, Louisiana were prepared in accordance with GAAP.
2. No significant deficiencies or material weaknesses are reported in the 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*.
3. No instances of noncompliance material to the financial statements of the Town of Oak Grove, Louisiana, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

FINDINGS – FINANCIAL STATEMENTS AUDIT

No matters are reported.

**TOWN OF OAK GROVE
OAK GROVE, LOUISIANA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

PRIOR AUDIT FINDINGS – FINANCIAL STATEMENTS AUDIT

No findings reported in the prior year.

HUBERT ROLLINSON Jr.
MAYOR

TODD NEVELS
MAYOR PRO TEM

MELLISSA CORLEY
TOWN CLERK

JOHN M. LANCASTER
ATTORNEY

TOWN OF OAK GROVE

407 East Main Street
OAK GROVE, LOUISIANA 71263

(318) 428-3275

FAX (318) 428-4556

TOWN
COUNCIL

Darain Hayes

Richie Allen

Todd Nevels

Jimmy Holland

Tim Phillips

December 15, 2025

Bosch & Statham, LLC

melissa@bscpa.net

michael@bscpa.net

The Louisiana Legislative Auditor (LLA) is considered to be a specified party to the Statewide Agreed-Upon Procedures (AUPs) and acknowledges that the procedures performed are appropriate for their purposes by their acceptance of the standard audit engagement approval forms. In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the LLA's statewide agreed-upon procedures (AUPs), for the fiscal period **July 1, 2024 through June 30, 2025**, we confirm, to the best of our knowledge and belief, the following representations made to you during your engagement.

1. We acknowledge that we are responsible for the C/C areas identified in the SAUPs, including written policies and procedures; board or finance committee; bank reconciliations; collections; non-payroll disbursements; credit/debit/fuel/purchasing cards; travel and travel-related expense reimbursement; contracts; payroll and personnel; ethics; debt service; fraud notice; information technology disaster recovery/business continuity; prevention of sexual harassment; and other areas (*should be customized by entity, as applicable*).

Yes No

2. We acknowledge that we are responsible for establishing and maintaining effective internal control over compliance.

Yes No

3. For the fiscal period **July 1, 2024 through June 30, 2025**, we have performed an evaluation of our compliance with the best practices criteria presented in the statewide AUPs.

Yes No

4. We are responsible for selecting the criteria and procedures and for determining that such criteria and procedures are appropriate for our purposes.

Yes No

5. We have provided you with access to all records that we believe are relevant to the C/C areas and the statewide AUPs.

Yes No

6. We have disclosed to you all known matters contradicting the results of the procedures performed in C/C areas.

Yes No

7. We have disclosed to you any known noncompliance with laws or regulations affecting the statewide AUPs occurring during the period of **July 1, 2024 through June 30, 2025** and between **June 30, 2025**, and **December 15, 2025**, including any actual, suspected, or alleged fraud.

Yes No

8. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between **June 30, 2025**, and **December 15, 2025**.

Yes No

9. We represent that the listing of bank accounts for the fiscal period that we provided to you is complete. We also represent that we have identified and disclosed to you our main operating account.

Yes No

10. We represent that the listing of deposit sites for the fiscal period that we provided to you is complete.

Yes No

11. We represent that the listing of collection locations for the fiscal period that we provided to you is complete.

Yes No

12. We represent that the listing of locations that process payments for the fiscal period that we provided to you is complete.

Yes No

13. We represent that the non-payroll disbursement transaction population for each location that processes payments for the fiscal period that we provided to you is complete.

Yes No

14. We represent that the listing of all active credit cards, bank debit cards, fuel cards, and purchase (P) cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards, that we provided to you is complete.

Yes No

15. We represent that the listing of all travel and travel-related expense reimbursements during the fiscal period that we provided to you is complete.

Yes No

16. We represent that the listing of all agreements/contracts (or active vendors) for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period that we provided to you is complete.

Yes No

17. We represent that the listing of employees/elected officials employed during the fiscal period that we provided to you is complete.

Yes No

18. We represent that the listing of employees/officials that received termination payments during the fiscal period that we provided to you is complete.

Yes No

19. We represent that the employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines during the fiscal period.

Yes No

20. We represent that the listing of bonds/notes issued during the fiscal period that we provided to you is complete.

Yes No

21. We represent that the listing of bonds/notes outstanding at the end of the fiscal period that we provided to you is complete.

Yes No

22. We represent that the listing of misappropriations of public funds and assets during the fiscal period that we provided to you is complete.

Yes No

23. We represent that the listing of computers currently in use and their related locations that we provided to you is complete.

Yes No

24. We are not aware of any material misstatements in the C/C areas identified in the statewide AUPs.

Yes No

25. We have disclosed to you any matters that were related to the procedures.

Yes No

26. We have responded fully to all inquiries made by you during the engagement.

Yes No

27. We have disclosed to you all known events that have occurred subsequent to **June 30, 2025**, that would have a material effect on the C/C areas identified in the statewide AUPs, or would require adjustment to or modification of the results of the statewide AUPs.

Yes No

The previous responses have been made to the best of our belief and knowledge.

Signature John R. Bellows, Jr.

Title Mayor

Signature Melissa Corley

Title Clerk

Independent Accountant's Report
on Applying Agreed-Upon Procedures

To the Town of Oak Grove
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by Town of Oak Grove (the Town) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2024, through June 30, 2025. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and related exceptions obtained are described in the attachment to this report:

1) Written Policies and Procedures

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

We obtained the policies and procedures.

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

The policy included all the referenced elements.

Exceptions: None

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

The policy does not include element (2).

Exceptions: See above.

**TOWN OF OAK GROVE
REPORT ON STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2025**

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

The policy does not include the reviewing process.

Exceptions: See above.

- 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).

The policy does not address all required elements.

Exceptions: See above.

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

The policy includes approval of leave and overtime but does not address the other required elements.

Exceptions: See above.

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

No such policy has been adopted; however, the Town's charter includes the legal review requirement.

Exceptions: See above.

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

The policy includes all required elements.

Exceptions: None.

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

No such policy has been adopted.

Exceptions: See above.

**TOWN OF OAK GROVE
REPORT ON STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2025**

- 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.

The policy does not include the required elements.

Exceptions: See above.

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

No such policy has been adopted.

Exceptions: See above.

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

No such policy has been adopted.

Exceptions: See above.

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

The policy did not include element (3).

Exceptions: See above.

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:

We obtained the council's minutes and the Town's charter.

- 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.

We noted no exceptions.

**TOWN OF OAK GROVE
REPORT ON STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2025**

- ii) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit 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.*

We noted no exceptions.

- 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.

We obtained the prior year audit report and observed a positive unrestricted fund balance in all funds.

- 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.

We noted no exceptions.

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:

We obtained a listing of bank accounts and management's representation that the listing is complete. We selected the main operating account and four additional accounts for testing and obtained the related bank statements and reconciliations.

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

We noted no exceptions.

- 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 (e.g., initialed and dated, electronically logged); and

We noted no exceptions.

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

We noted two reconciliations had stale items older than twelve months with no evidence of research.

Exceptions: See above.

**TOWN OF OAK GROVE
REPORT ON STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2025**

4) Collections

- 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).

We obtained a listing from management. We selected all deposit sites listed.

Exceptions: None

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

We obtained a listing from management. We selected one collection location and obtained the policies and procedures.

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

We noted no exceptions.

- 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.

We noted each employee responsible for collecting cash prepares their own deposits. We noted no one reconciles collection documentation to the deposit.

Exceptions: See above.

- 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.

We noted the Assistant Town Clerk and Water Clerk are both responsible for collecting payments and posting collection entries to the general ledger. The Town Clerk periodically reviews the general ledgers for the governmental funds.

Exceptions: See above.

- 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.

We noted employees responsible for collecting payments also reconcile cash collections to the general ledger. However, the Town Clerk reviews the reconciliations.

Exceptions: None.

**TOWN OF OAK GROVE
REPORT ON STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2025**

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

We obtained a copy of the Town's surety bonds and noted the bonds were enforced during the fiscal period.

Exceptions: None

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3A 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:

We selected two deposit dates for each bank account selected under procedure #3. We obtained the supporting documentation and noted the following.

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

We noted no exceptions.

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

We noted no exceptions.

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

We noted no exceptions.

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

We noted no exceptions.

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

We noted no exceptions.

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

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

We obtained a listing of locations that process payments. We noted two locations.

**TOWN OF OAK GROVE
REPORT ON STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2025**

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

We obtained a listing of employees from management as well as observed the job duties of the employees.

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

We noted no exceptions.

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

We noted no exceptions.

- 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.

We noted the employees that process payments can also edit or add vendors to the listing. It was noted the Town Clerk periodically reviews changes.

Exceptions: None.

- 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.

We noted no exceptions.

- 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.

We noted no formal policy; however, in practice we observed only those who can sign checks approve electronic payments.

Exceptions: See above.

[Note: Findings related 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:

For the location selected under Procedure #5A, we obtained a listing of transactions and management's representation the listing is complete. We selected five transactions and obtained the supporting documentation.

- i) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

We noted no exceptions.

**TOWN OF OAK GROVE
REPORT ON STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2025**

- ii) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

We noted no exceptions.

- 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.

Using the main operating account in the month selected under procedure 3A, we selected 5 non-payroll disbursements. We noted no exceptions.

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

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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.

We obtained a listing of cards active during the fiscal period and management's representation the listing is complete.

Exceptions: None

- 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:

Using the listing, we selected five cards and selected one month for testing. We obtained the related documentation and noted the following.

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

We noted two exceptions.

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

We noted no such charges.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection)¹⁷. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Using the selected statements excluding fuel cards, we selected up to 10 transactions per card. Based on the number of transactions presented, we tested seven transactions.

1 We noted no exceptions.

2 We noted no exceptions.

3 We noted no such charges.

We noted no instances of missing receipts.

Exceptions: None.

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

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

We obtained a listing from management and selected five reimbursements for testing. We obtained the related supporting documentation.

- i) If reimbursed using a per diem, observe 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).

We noted one exception.

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

We noted no exceptions.

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

We noted no exceptions.

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

We noted no exceptions.

8) Contracts

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

We extracted a listing from the observation of the active vendor list and general ledger and selected the agreements that were either initiated or renewed in the current year.

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

We noted no exceptions.

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

We noted no exceptions.

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

We noted no exceptions.

- 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.

We noted no exceptions.

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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.

We obtained a listing from management and management's representation for completeness. We selected 5 employees/officials and obtained the personnel files. We agreed the paid rate to authorized rate noting no exceptions.

Exceptions: None

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

Using those employees or officials selected under procedure #9A, we obtained the attendance and leave records. We noted one selected employee receives monthly paychecks and did not receive a check during the selected pay period

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

We noted no exceptions.

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

We noted no exceptions.

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

We noted no exceptions.

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

We noted no exceptions.

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

We obtained a listing from management and management's representation for completeness. We selected two employees listed and obtained the required documentation. We noted both payments were for hours worked.

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- 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.

We obtained management's representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines.

Exceptions: None

10) Ethics

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

Using those selected under procedure #9A, we obtained the ethics documentation.

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

We noted no exceptions.

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

Management asserted there were no changes in the policy.

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

We inquired of management and noted an ethics designee had been appointed.

11) Debt Service

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

Management listed no bonds/notes or other debt issued during the fiscal period. We obtained management's representation that the listing is complete.

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- 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).

Management listed no bonds/notes or other debt outstanding at the end of the fiscal period. However, the Town has bonds outstanding at year end. We noted no exceptions regarding reserve balances required by the debt covenants.

Exceptions: See above.

12) Fraud Notice

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

Management listed no misappropriations.

- 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.

We observed the required notice posted on the Town’s website as well as in Town Hall.

Exceptions: None

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.

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- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in 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.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

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

We obtained the sexual harassment training documentation for those selected under procedure #9A. We noted one exception.

- 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).

We observed the policy on the Town's website.

Exceptions: None.

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- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i) Number and percentage of public servants in the agency who have completed the training requirements;
 - 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.

We obtained the Town's annual report and noted all required elements.

Exceptions: None

Management's Response: We will take the auditor's comments under advisement and take corrective action where the cost of doing so does not exceed the benefit.

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

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

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

BOSCH & STATHAM, LLC

Bosch & Statham, LLC

Ruston, Louisiana
December 15, 2025