TOWN OF GRAND COTEAU, LOUISIANA

Financial Report

Year Ended June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

The Honorable Patrick Richard, Mayor
and Members of the Board of Aldermen
Town of Grand Coteau, 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 Grand Coteau, Louisiana (the Town), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 41 through 45 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.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying justice system funding schedule included in other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the justice system funding schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information included in other supplementary information comprises the schedule of insurance in force but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 2026, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
August 24, 2026

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)

TOWN OF GRAND COTEAU, LOUISIANA

Statement of Net Position
June 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and interest-bearing deposits	$3,810,315	$ 128,165	$3,938,480
Investments	58,440	-	58,440
Receivables, net	12,651	54,536	67,187
Due from other governmental units	49,293	-	49,293
Internal balances	77,180	(77,180)	-
Restricted assets:			
Cash and interest-bearing deposits	-	202,956	202,956
Capital assets:			
Land and construction in progress	143,375	78,227	221,602
Capital assets, net	997,136	2,343,006	3,340,142
Total assets	5,148,390	2,729,710	7,878,100
LIABILITIES			
Accounts and other payables	62,531	93,866	156,397
Due to other governmental units	19,128	-	19,128
Accrued interest payable	-	160	160
Customer deposits	-	119,501	119,501
Long-term liabilities:			
Due within one year	31,304	31,170	62,474
Due after one year	75,571	118,499	194,070
Total liabilities	188,534	363,196	551,730
NET POSITION			
Net investment in capital assets	1,059,747	2,290,330	3,350,077
Restricted	3,059,506	83,295	3,142,801
Unrestricted	840,603	(7,111)	833,492
Total net position	$4,959,856	$2,366,514	$7,326,370

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

TOWN OF GRAND COTEAU, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2025

Activities	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Position: Governmental Activities	Net (Expense) Revenues and Changes in Net Position: Business-Type Activities	Net (Expense) Revenues and Changes in Net Position: Total
Governmental activities:							
General government	$ 636,378	$ -	$ 5,000	$ -	$ (631,378)	$ -	$ (631,378)
Public safety:							
Police	511,706	288,536	25,580	-	(197,590)	-	(197,590)
Fire	206,969	-	-	-	(206,969)	-	(206,969)
Highways and streets	101,413	-	2,498	-	(98,915)	-	(98,915)
Culture and recreation	31,151	25	-	-	(31,126)	-	(31,126)
Interest on long-term debt	7,299	-	-	-	(7,299)	-	(7,299)
Total governmental activities	1,494,916	288,561	33,078	-	(1,173,277)	-	(1,173,277)
Business-type activities:							
Gas	248,899	150,005	-	-	-	(98,894)	(98,894)
Water	334,919	158,346	15,834	-	-	(160,739)	(160,739)
Sewer	379,346	129,563	-	-	-	(249,783)	(249,783)
Total business-type activities	963,164	437,914	15,834	-	-	(509,416)	(509,416)
Total	$ 2,458,080	$ 726,475	$ 48,912	$ -	(1,173,277)	(509,416)	(1,682,693)
General revenues:							
Taxes -							
Property taxes, levied for general purposes					33,725	-	33,725
Property taxes, levied for specific purposes					107,569	-	107,569
Sales and use taxes, levied for general purposes					254,304	-	254,304
Sales and use taxes, levied for specific purposes					454,761	-	454,761
Franchise taxes					90,426	-	90,426
Occupational licenses and other permits					62,455	-	62,455
State beer tax					1,323	-	1,323
Racino income					26,034	-	26,034
Video poker revenue					502,305	-	502,305
Interest and investment earnings					3,274	394	3,668
Miscellaneous					42,565	-	42,565
Transfers					(70,157)	70,157	-
Total general revenues and transfers					1,508,584	70,551	1,579,135
Change in net position					335,307	(438,865)	(103,558)
Net position - beginning, as restated					4,624,549	2,805,379	7,429,928
Net position - ending					$ 4,959,856	$ 2,366,514	$ 7,326,370

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

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUND DESCRIPTIONS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Fund

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Sales Tax Fund

To account for the collection and expenditure of the Town's one percent sales tax that is legally restricted to expenditures for specific purposes.

2010 Sales Tax Fund

To account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

TIF District Fund

To account for the proceeds of a two percent sales and use tax and two percent hotel occupancy tax that is legally restricted to expenditures for specific purposes.

Enterprise Funds

Gas Fund

To account for the provision of gas services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing related debt service, and billing and collection.

Water Fund

To account for the provision of water services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing related debt service, and billing and collection.

Sewer Fund

To account for the provision of sewer services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing related debt service, and billing and collection.

TOWN OF GRAND COTEAU, LOUISIANA

Balance Sheet - Governmental Funds
June 30, 2025

	General	Sales Tax	2010 Sales Tax	TIF District	Total
ASSETS					
Cash and interest-bearing deposits	$ 739,826	$ 967,256	$ 698,393	$1,404,840	$3,810,315
Investments	58,440	-	-	-	58,440
Receivables -					
Taxes	4,265	-	-	-	4,265
Other	8,386	-	-	-	8,386
Due from other funds	88,163	-	44,871	-	133,034
Due from other governmental units	49,293	-	-	-	49,293
Total assets	$ 948,373	$ 967,256	$ 743,264	$1,404,840	$4,063,733
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts and other payables	$ 62,531	$ -	$ -	$ -	$ 62,531
Due to other governmental units	19,128	-	-	-	19,128
Due to other funds	-	55,854	-	-	55,854
Total liabilities	81,659	55,854	-	-	137,513
Fund balances -					
Restricted - sales tax dedications	-	911,402	743,264	1,404,840	3,059,506
Unassigned	866,714	-	-	-	866,714
Total fund balances	866,714	911,402	743,264	1,404,840	3,926,220
Total liabilities and fund balances	$ 948,373	$ 967,256	$ 743,264	$1,404,840	$4,063,733

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

TOWN OF GRAND COTEAU, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2025

Total fund balances for governmental funds at June 30, 2025		$ 3,926,220
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land and construction in progress	$ 143,375	
Buildings and improvements, net of $220,238 accumulated depreciation	187,927	
Infrastructure, net of $1,000,250 accumulated depreciation	357,966	
Equipment, net of $727,776 accumulated depreciation	451,243	1,140,511
Some liabilities are not due and payable from current financial resources and are, therefore not reported in the funds. These liabilities consist of the following:		
Notes payable	(80,764)	
Compensated absences	(26,111)	(106,875)
Total net position of governmental activities at June 30, 2025		$ 4,959,856

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

TOWN OF GRAND COTEAU, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2025

	General	Sales Tax	2010 Sales Tax	TIF District	Total
Revenues:					
Taxes	$ 231,720	$ 254,304	$ 254,304	$ 200,457	$ 940,785
Licenses and permits	62,455	-	-	-	62,455
Intergovernmental	562,740	-	-	-	562,740
Fines and forfeits	288,536	-	-	-	288,536
Miscellaneous	45,853	8	-	3	45,864
Total revenues	1,191,304	254,312	254,304	200,460	1,900,380
Expenditures:					
Current -					
General government	539,531	2,612	2,613	77,499	622,255
Public safety:					
Police	466,540	-	-	-	466,540
Fire	167,248	-	-	-	167,248
Highways and streets	55,765	-	-	-	55,765
Culture and recreation	11,388	-	-	-	11,388
Capital outlay	102,855	-	-	-	102,855
Debt service	44,813	-	-	-	44,813
Total expenditures	1,388,140	2,612	2,613	77,499	1,470,864
Excess (deficiency) of revenues over expenditures	(196,836)	251,700	251,691	122,961	429,516
Other financing sources (uses):					
Transfers in	99,070	-	-	-	99,070
Transfers out	-	-	(115,000)	(54,227)	(169,227)
Total other financing sources (uses)	99,070	-	(115,000)	(54,227)	(70,157)
Net change in fund balance	(97,766)	251,700	136,691	68,734	359,359
Fund balances, beginning - as restated	964,480	659,702	606,573	1,336,106	3,566,861
Fund balances, ending	$ 866,714	$ 911,402	$ 743,264	$ 1,404,840	$ 3,926,220

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

TOWN OF GRAND COTEAU, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2025

Total net changes in fund balances for the year ended June 30, 2025 per the statement of revenues, expenditures and changes in fund balances		$ 359,359
The change in net position reported for governmental activities in the statement of activities is different because:		
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.		
Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balances	$ 102,855	
Depreciation expense for the year ended June 30, 2025	(164,421)	(61,566)
Bond and capital lease proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal and capital leases are recorded as expenditures in the governmental funds but reduce liability in the statement of net position. Also, governmental funds report the effects of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:		
Repayment of long-term debt		37,514
Total changes in net position for the year ended June 30, 2025 per the statement of activities		$ 335,307

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

TOWN OF GRAND COTEAU, LOUISIANA

Statement of Net Position
Proprietary Funds
Business-Type Activities - Enterprise Funds
June 30, 2025

	Gas Fund	Water Fund	Sewer Fund	Total
ASSETS				
Current assets:				
Cash and interest-bearing deposits	$ 48,867	$ 47,480	$ 31,818	$ 128,165
Receivables -				
Accounts, net	17,041	20,986	16,509	54,536
Due from other funds	95,854	-	-	95,854
Total current assets	161,762	68,466	48,327	278,555
Noncurrent assets:				
Restricted assets -				
Customers' deposits -				
Cash and interest-bearing deposits	57,553	78,266	67,137	202,956
Land and construction in progress	-	54,227	24,000	78,227
Capital assets, net	80,467	1,382,296	880,243	2,343,006
Total noncurrent assets	138,020	1,514,789	971,380	2,624,189
Total assets	299,782	1,583,255	1,019,707	2,902,744
LIABILITIES				
Current liabilities (payable from current assets):				
Accounts payable	11,215	24,001	58,650	93,866
Notes payable	6,132	-	-	6,132
Due to other funds	-	112,429	60,605	173,034
Total	17,347	136,430	119,255	273,032
Current liabilities (payable from restricted assets):				
Customer deposits	57,553	61,948	-	119,501
Accrued interest payable	-	160	-	160
Revenue bonds payable	-	16,000	9,038	25,038
Total	57,553	78,108	9,038	144,699
Total current liabilities	74,900	214,538	128,293	417,731
Noncurrent liabilities:				
Revenue bonds payable	-	-	85,103	85,103
Compensated absences	25,784	6,671	941	33,396
Total	25,784	6,671	86,044	118,499
Total liabilities	100,684	221,209	214,337	536,230
NET POSITION				
Net investment in capital assets	74,335	1,405,893	810,102	2,290,330
Restricted	-	16,158	67,137	83,295
Unrestricted	124,763	(60,005)	(71,869)	(7,111)
Total net position	$ 199,098	$1,362,046	$ 805,370	$2,366,514

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

TOWN OF GRAND COTEAU, LOUISIANA

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Business-Type Activities - Enterprise Funds
For the Year Ended June 30, 2025

	Gas Fund	Water Fund	Sewer Fund	Total
Operating revenues:				
Charges for services	$ 150,005	$ 157,804	$ 129,563	$ 437,372
Miscellaneous	-	542	-	542
Total operating revenues	150,005	158,346	129,563	437,914
Operating expenses:				
Personal services	37,917	62,045	37,917	137,879
Contractual services	93,509	-	8,641	102,150
Supplies	13,619	29,387	1,353	44,359
Other expenses	86,849	179,557	249,274	515,680
Depreciation	16,409	63,300	77,729	157,438
Total operating expenses	248,303	334,289	374,914	957,506
Operating loss	(98,298)	(175,943)	(245,351)	(519,592)
Nonoperating revenues (expenses):				
Interest income	211	16	167	394
Grant revenue	-	15,834	-	15,834
Interest and fiscal charges	(596)	(630)	(4,432)	(5,658)
Total nonoperating revenues (expenses)	(385)	15,220	(4,265)	10,570
Loss before transfers	(98,683)	(160,723)	(249,616)	(509,022)
Transfers:				
Transfers in (out)	-	70,157	-	70,157
Change in net position	(98,683)	(90,566)	(249,616)	(438,865)
Net position, beginning - as restated	297,781	1,452,612	1,054,986	2,805,379
Net position, ending	$ 199,098	$ 1,362,046	$ 805,370	$ 2,366,514

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

TOWN OF GRAND COTEAU, LOUISIANA

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Gas Fund	Water Fund	Sewer Fund	Total
Cash flows from operating activities:				
Receipts from customers	$ 160,433	$ 155,867	$ 129,483	$ 445,783
Payments to suppliers	(210,517)	(172,260)	(186,845)	(569,622)
Payments to employees	(37,917)	(62,045)	(37,917)	(137,879)
Net cash used by operating activities	(88,001)	(78,438)	(95,279)	(261,718)
Cash flows from noncapital financing activities:				
Net increase in customer deposits payable	3,641	3,922	-	7,563
Net transfers received from other funds	39,154	20,664	26,009	85,827
Net cash provided by noncapital financing activities	42,795	24,586	26,009	93,390
Cash flows from capital and related financing activities:				
Principal paid on revenue bonds and notes payable	(5,842)	(15,000)	(7,961)	(28,803)
Interest paid on revenue bonds and notes payable	(596)	(930)	(4,432)	(5,958)
Grant proceeds	-	15,834	-	15,834
Net purchase of capital assets	-	(59,672)	-	(59,672)
Net cash used by capital and related financing activities	(6,438)	(59,768)	(12,393)	(78,599)
Cash flows from investing activities:				
Net maturities (purchases) of certificates of deposit	(211)	-	(145)	(356)
Interest received on interest-bearing deposits	211	16	167	394
Net cash provided by investing activities	-	16	22	38
Net decrease in cash and cash equivalents	(51,644)	(113,604)	(81,641)	(246,889)
Cash and cash equivalents, beginning	110,945	239,350	148,433	498,728
Cash and cash equivalents, ending	$ 59,301	$ 125,746	$ 66,792	$ 251,839

(continued)

TOWN OF GRAND COTEAU, LOUISIANA

Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2025

	Gas Fund	Water Fund	Sewer Fund	Total
Reconciliation of operating loss to net cash provided (used) by operating activities:				
Operating loss	$ (98,298)	$ (175,943)	$ (245,351)	$ (519,592)
Adjustments to reconcile operating loss to net cash used by operating activities -				
Depreciation	16,409	63,300	77,729	157,438
Changes in current assets and liabilities:				
Decrease in accounts receivable	10,428	15,983	15,251	41,662
Decrease in prepaid items	533	679	594	1,806
(Increase) decrease in accounts payable	(17,073)	17,543	56,498	56,968
Net cash used by operating activities	$ (88,001)	$ (78,438)	$ (95,279)	$ (261,718)
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:				
Cash and cash equivalents, beginning -				
Cash and interest-bearing deposits - unrestricted	$ 57,778	$ 160,939	$ 114,078	$ 332,795
Cash and interest-bearing deposits - restricted	100,075	78,411	66,373	244,859
Less: Certificates of deposit with a maturity greater than three months when purchased	(46,908)	-	(32,018)	(78,926)
Total cash and cash equivalents	110,945	239,350	148,433	498,728
Cash and cash equivalents, ending -				
Cash and interest-bearing deposits - unrestricted	48,867	47,480	31,818	128,165
Cash and interest-bearing deposits - restricted	57,553	78,266	67,137	202,956
Less: Certificates of deposit with a maturity greater than three months when purchased	(47,119)	-	(32,163)	(79,282)
Total cash and cash equivalents	59,301	125,746	66,792	251,839
Net decrease	$ (51,644)	$ (113,604)	$ (81,641)	$ (246,889)

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

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Grand Coteau, Louisiana (the Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting policies of the Town also conform to the requirements of Louisiana Revised Statute 24:513, the *Louisiana Governmental Audit Guide,* and to the industry audit guide, *Audits of State and Local Governmental Units.* The accounting and reporting framework and the more significant accounting policies are described below.

A. Financial Reporting Entity

The Town was incorporated under the provisions of the Lawrason Act. The Town operates under the Mayor-Board of Aldermen form of government and provides the following services: public safety, highways and streets, culture and recreation, gas, water, and sewer services, and general administrative services.

This report includes all funds and activities that are controlled by the Town as an independent political subdivision of the State of Louisiana. There are no component units required to be reported in conformity with generally accepted accounting principles.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The government-wide financial statements provide operational accountability information for the Town as an economic unit. The government-wide financial statements report the Town's ability to maintain service levels and continue to meet its obligations as they come due. The statements include all governmental activities and all business-type activities of the primary government. The Town has no fiduciary funds.

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

Fund Financial Statements

The accounts of the Town are organized on the basis of funds, each of which is considered to be an independent fiscal and accounting entity. The operations of each fund are accounted for within separate sets of self-balancing accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues, and expenditures/expenses, and transfers. The minimum number of funds is maintained consistent with legal and managerial requirements. Fund financial statements report detailed information about the Town. The various funds of the Town are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major funds, each displayed in a separate column.

Major funds are determined as funds whose revenues, expenditures/expenses, assets and deferred outflows of resources or liabilities and deferred inflows of resources are at least ten percent of the totals for all governmental or enterprise funds and at least five percent of the aggregate amount for all governmental and enterprise funds for the same item or funds designated as major at the discretion of the Town. The General Fund is always a major fund. Funds not classified as a major fund are aggregated and presented in a single column in the fund financial statements. The Town uses the following funds, grouped by fund type.

Governmental Funds:

Governmental Funds are those through which most governmental functions of the Town are financed. The acquisition, use, and balances of the Town's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds.

General Fund

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

Special Revenue Funds

Special Revenues Funds are used to account for the proceeds of government grants or other specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects of the Town. The following are the Town's major Special Revenue Funds:

The Sales Tax Fund is used to account for the proceeds of a one percent (1%) sales and use tax that is legally restricted to expenditures for specific purposes.

The 2010 Sales Tax Fund is used to account for the proceeds of a one percent (1%) sales and use tax that is legally restricted to expenditures for specific purposes.

The TIF District Fund is used to account for the proceeds of a two percent (2%) sales and use tax and a two percent (2%) hotel occupancy tax that is legally restricted to expenditures for specific purposes.

Proprietary Funds -

Proprietary funds are used to account for the Town's ongoing operations and activities which are similar to those often found in the private sector where the intent is that the costs of providing goods and services be recovered through user charges. The proprietary funds maintained by the Town are enterprise funds.

Enterprise Funds

Enterprise funds are proprietary funds that are used to report activities for which a fee is charged to external users. These funds account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town's enterprise funds are the Gas Fund, the Water Fund, and the Sewer Fund.

Enterprise funds financial statements include a statement of net position, a statement of revenues, expenses and changes in fund net position, and a statement of cash flows. The enterprise fund financial information is presented under the business-type activities column.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The measurement focus determines the accounting and financial reporting treatment applied to a fund. The governmental and business-type activities within the government-wide statement of net position and statement of activities are presented using the economic resources measurement focus. The economic resources measurement focus meets the accounting objectives of determining net income, net position, and cash flows.

The fund financial statements use either the current financial resources measurement focus, or the economic resources measurement focus as appropriate. Governmental funds use the current financial resources measurement focus. The measurement focus is based upon the receipt and disbursement of current available financial resources rather than upon net income. The measurement focus of the proprietary fund types, the flow of economic resources, is based upon determination of net income, net position and cash flows.

The accrual basis of accounting is used throughout the government-wide statements; conversely, the financial statements of the governmental funds have been prepared in accordance with the modified accrual basis of accounting, whereby revenues are recognized when considered both measurable and available to finance expenditures of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. An exception to this is grants collected on a reimbursement basis. Those reimbursable grants are recognized as revenue when reimbursable expenditures are incurred. The Town considers reimbursement amounts received within one year as available. The Town accrues intergovernmental revenue, ad valorem and sales tax revenue, franchise fees, charges for services, and investment income based upon this concept. Expenditures are generally recognized when the related fund liabilities are incurred and become payable in the current period. Proceeds of debt are reported as other financing sources, and principal and interest on long-term debt are recorded as expenditures when paid.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursement for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the Town. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the Town and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The financial statements of the enterprise funds have been prepared in accordance with the accrual basis of accounting. Accordingly, revenues are recorded when earned, and expenses and related liabilities are recorded when incurred.

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

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Town. Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States of America. The Town may invest in certificates and time deposits of state banks organized under Louisiana laws and national banks having principal offices in Louisiana.

In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Investments are stated at fair value.

For the purpose of the proprietary funds statement of cash flows, "cash and cash equivalents" include all demand and savings accounts and certificates of deposit with an original maturity of three months or less.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans are reported as "advances to and from other funds." Interfund receivables and payables, advances to and from other funds, as well as due to and from other funds are eliminated in the statement of net position.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes, ad valorem taxes, and amounts due from other governmental units. Business-type activities report customer utility service receivables as the major receivables. Uncollectible amounts due for customer utility receivables are recognized as bad debts through the establishment of an allowance for uncollectible accounts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectible accounts at June 30, 2025 was $55,965. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month totaled $14,518 at year end.

Prepaid Items

Payments made to vendors for services that will benefit future periods beyond June 30, 2025, are recorded as prepaid items.

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. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The Town maintains a threshold level of $1,500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to July 1, 2001, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

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

Buildings and improvements	20-40 years
Furniture and equipment	5-10 years
Vehicles	5-15 years
Water system	20-50 years
Sewerage system	20-50 years
Meters	10-20 years

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

Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary funds that are legally restricted as to their use. The restricted assets are related to the utility meter deposits and revenue bond accounts.

Long-term debt

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

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

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

Compensated Absences

Employees of the Town earn annual vacation and sick leave at varying rates, depending upon their length of service. The Town's policy is that employees earn and must use their vacation leave as of the end of each calendar year. Unused sick leave can be carried forward to the next calendar year. Upon termination, unused sick leave up to 90 days is paid to the employee at the employee's current rate of pay.

A liability for compensated absences is recognized for leave that has not been used when the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave that has been used but not yet paid or settled is recognized as a liability when the leave is used. In assessing whether leave is more likely than not to be used or otherwise paid, the Town considers its leave policies, its historical experience of leave usage and payment at termination, and any other information that indicates the leave will or will not be paid. The liability is measured using the employe's pay rate of year-end, and includes salary-related payments that are directly and incrementally associated with the leave measured using the rate in effect at that date.

The entire liability for compensated absences is reported in the government-wide statement of net position and in the proprietary funds. In the governmental funds, a liability is reported only for amount that have matured, i.e. amounts due and payable from expendable available financial resources at year end.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2025, the Town had no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. At June 30, 2025, the Town had no items that qualify for reporting in this category.

Equity Classifications

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

a. Net investment in capital assets consists of capital assets, including restricted capital assets, net of accumulated depreciation, increased by deferred outflows of resources and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings, and by deferred inflows of resources, that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position consists of net position with constraints placed on the use either by external groups, such as creditors, grantors, and contributors, laws or regulations of other governments; or law through constitutional provisions or enabling legislation. It is the Town's policy to use restricted net position prior to the use of unrestricted net position when both restricted and unrestricted net position are available for an expense which has been incurred. At June 30, 2025, the Town reported $3,142,801 of restricted net position, of which $3,059,506 was restricted by enabling legislation.

c. Unrestricted net position consists of all other assets, deferred outflows of resources, liabilities and deferred inflows of resources that do not meet the definition of "restricted" or "net investment in capital assets."

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily upon the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The categories and their purposes are:

a. Nonspendable includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual constraints requiring they remain intact.

b. Restricted includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, grantors, contributors or amounts constrained due to constitutional provisions or enabling legislation or the laws or regulations of other governments.

c. Committed includes fund balance amounts that can be used only for specific purposes that are internally imposed by the Town through formal legislative action of the Board of Aldermen and does not lapse at year end. A committed fund balance constraint can only be established, modified or rescinded by passage of an Ordinance (Law) by the Board of Aldermen.

d. Assigned includes fund balance amounts that are constrained by the Town's intent to be used for specific purposes, that are neither restricted nor committed. The assignment of fund balance is authorized by a directive from the Mayor and approval of a Resolution by the Board of Aldermen.

e. Unassigned includes fund balance amounts which have not been classified within the above-mentioned categories.

It is the Town's policy to use restricted amounts first when both restricted and unrestricted fund balance is available unless prohibited by legal or contractual provisions. Additionally, the Town uses committed, assigned, and lastly unassigned amounts of fund balance in that order when expenditures are made.

Proprietary fund equity is classified the same as in the government-wide statements.

E. Revenues, Expenditures, and Expenses

Revenues

The Town considers revenue to be susceptible to accrual in the governmental funds as it becomes measurable and available, as defined under the modified accrual basis of accounting. The Town generally defines the availability period for revenue recognition as received within sixty (60) days of year-end. The Town's major revenue sources that meet this availability criterion are intergovernmental revenues, franchise fees, tax revenue, and charges for services.

There are three classifications of programmatic revenues for the Town, grant and contributions revenue (operating and capital) and charges for services. Grant revenues are revenues from federal, state, and private grants. These revenues are recognized when all applicable eligibility requirements are met and are reported as intergovernmental revenues. Program revenues are derived directly from the program itself or from parties outside the Town's taxpayers or citizenry, as a whole. Program revenues reduce the cost of the function to be financed from the Town's general revenues. The primary sources of program revenue are fees, fines, and charges paid by recipients of goods or services, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and earned income in connection with the operation of the Town's utility system.

Interest income is recorded as earned in the fund holding the interest-bearing asset.

Substantially all other revenues are recorded when received.

Operating Revenues and Expenses

In the proprietary funds, operating revenues are those revenues produced as a result of providing services and producing and delivering goods and/or services. Nonoperating revenues are funds primarily provided by investing activities, such as financial institution interest income, gains on disposal of assets and insurance recoveries on property loss. Operating expenses are those expenses related to the production of revenue. Nonoperating expenses are those expenses not directly related to the production of revenue and include items such as interest expense and losses on disposal of assets.

Expenditures/Expenses

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

Governmental Funds - By Character
Proprietary Fund - By Operating and Nonoperating

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

Interfund Transfers

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

F. Revenue Restrictions

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

Revenue Source	Legal Restrictions of Use
Ad valorem taxes	See Note 2
Sales tax	See Note 3

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

G. Capitalization of Interest Expense

In accordance with GASB Statement No. 89, interest incurred before the end of a construction period is recognized as an expense in the period in which the cost is incurred and is not capitalized as part of the historical cost of a capital asset.

H. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

(2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in November and are actually billed to taxpayers in December. Billed taxes become delinquent on January 1 of the following year. The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of St. Landry Parish. Town property tax revenues are budgeted in the year billed. For the year ended June 30, 2025, taxes of 19.95 mills were levied on property with assessed valuations totaling $7,661,160 and were dedicated as follows:

General purposes	4.95	mills
Fire protection	15.00	mills
	19.95	mills

Total taxes levied, net of homestead exemption, were $147,162. Taxes receivable at June 30, 2025 were $4,265.

(3) Dedication of Sales Tax Proceeds

Proceeds of a 1 percent sales and use tax (accounted for in the Sales Tax Fund – a special revenue fund) levied by the Town of Grand Coteau (2025 collections $254,304) are dedicated to the following purposes:

Constructing and purchasing fire department stations and equipment; constructing and purchasing police department stations and equipment; opening, constructing, paving, resurfacing and improving streets, sidewalks, and bridges; constructing and improving drains, drainage canals and subsurface drainage; constructing, acquiring or improving any work of public permanent improvements; and purchasing and acquiring all equipment and furnishings for the public works, buildings, improvements and facilities of the Town of Grand Coteau, title to which shall be in the public.

Proceeds of a 1 percent sales and use tax (accounted for in the 2010 Sales Tax Fund – a special revenue fund) levied by the Town of Grand Coteau (2025 collections $254,304) are dedicated for any lawful corporate purpose of the Town.

Proceeds of a 2 percent sales and use tax and 2 percent hotel occupancy tax (accounted for in the TIF District Fund – a special revenue fund) levied by the Town of Grand Coteau (2025 collections $200,457) are dedicated for specific purposes. These taxes are deposited into a special trust fund named the "Grand Coteau Economic Development District No. 1 District Trust Fund" the purpose of which is to fund economic development projects selected by the Grand Coteau Economic Development District No. 1.

(4) Cash and Interest-Bearing Deposits

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Town may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2025, the Town had cash and interest-bearing deposits (book balances) totaling $4,141,436 as follows:

Demand deposits	$ 3,443,163
Money market accounts	618,991
Time deposits	79,282
Total	$ 4,141,436

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Town's deposits may not be recovered, or the Town will not be able to recover the collateral securities that are in the possession of an outside party. 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 similar federal security 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 bank. These securities are held in the name of the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of deposit balances (bank balances) at June 30, 2025, and the related federal insurance and pledged securities:

Bank balances	$4,193,542
Federal deposit insurance	$ 500,000
Pledged securities	3,693,542
Total	$4,193,542

Deposits in the amount of $3,693,542 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Town's name. The Town does not have a policy for custodial credit risk.

(5) Investments

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

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

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

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

The investment in LAMP totaling $58,440 is stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

The Town's investment in LAMP is measured at the net asset value per share (or its equivalent practical expedient and is therefore not classified within the fair value hierarchy. There are no unfunded commitments and no restrictions on redemption; participants may withdraw funds on any business day.

(6) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at June 30, 2025:

Customer deposits	$ 73,707
Revenue bond reserve and sinking funds	129,249
Total	$ 202,956

(7) Receivables

Receivables consisted of the following at June 30, 2025:

	Governmental Activities	Business-Type Activities	Total
Accounts receivable	$ -	$ 96,110	$ 96,110
Unbilled receivbles	-	14,518	14,518
Allowance for doubtful accounts	-	(56,092)	(56,092)
Ad valorem taxes, net	4,265	-	4,265
Other	8,386	-	8,386
Totals	$ 12,651	$ 54,536	$ 67,187

(8) Due from Other Governmental Units

The amount due from other governmental units consisted of the following at June 30, 2025:

Governmental activities:	
State of Louisiana - video poker revenue	$ 49,293

(9) Accounts and Other Payables

The accounts and other payables consisted of the following at June 30, 2025:

	Governmental Activities	Business-type Activities	Total
Accounts payable	$ 56,303	$ 93,866	$150,169
Accrued liabilities	6,228	-	6,228
Totals	$ 62,531	$ 93,866	$156,397

(10) Capital Assets

Capital asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 143,375	$ -	$ -	$ 143,375
Other capital assets:				
Buildings and improvements	375,726	32,439	-	408,165
Infrastructure	1,345,853	12,363	-	1,358,216
Equipment	1,120,966	58,053	-	1,179,019
Totals	2,842,545	102,855	-	2,945,400
Less accumulated depreciation				
Buildings and improvements	204,889	15,349	-	220,238
Infrastructure	953,508	46,742	-	1,000,250
Equipment	625,446	102,330	-	727,776
Total accumulated depreciation	1,783,843	164,421	-	1,948,264
Governmental activities, capital assets, net	$ 1,202,077	$ (61,566)	$ -	$ 1,140,511

Depreciation expense was charged to governmental activities as follows:

General government	$ 14,122
Police	45,167
Fire	39,721
Highways and streets	45,648
Parks and recreation	19,763
Total depreciation expense	$ 164,421

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 24,000	$ -	$ -	$ 24,000
Construction in Progress	-	54,227	-	54,227
Totals	24,000	54,227	-	78,227
Other capital assets:				
Gas system and equipment	511,163	-	-	511,163
Water system and equipment	2,952,914	5,445	-	2,958,359
Sewer plant and equipment	3,893,363	-	-	3,893,363
Totals	7,357,440	5,445	-	7,362,885
Less accumulated depreciation				
Gas system and equipment	414,287	16,409	-	430,696
Water system and equipment	1,512,763	63,300	-	1,576,063
Sewer plant and equipment	2,935,391	77,729	-	3,013,120
Total accumulated depreciation	4,862,441	157,438	-	5,019,879
Business-type activities, capital assets, net	$2,518,999	$ (97,766)	$ -	$2,421,233

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

Gas	$ 16,409
Water	63,300
Sewer	77,729
Total depreciation expense	$157,438

(11) Changes in Long-Term Liabilities

The following is a summary of long-term liability transactions of the Town for the year ended June 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	
Long-term debt:						
Direct placement -						
Revenue bonds	$ 133,102	$ -	$ 22,961	$ 110,141	$ 25,038	
Direct borrowings -						
Notes payable	130,252	-	43,356	86,896	37,436	
Other liabilities:						
Compensated absences	59,507	-	-	59,507	-	*
	$ 322,861	$ -	$ 66,317	$ 256,544	$ 62,474	

* The change in the liability for compensated absences is presetned as a net change, as premitted by GASB Statement No. 101.

Bonds and notes payable at June 30, 2025 consisted of the following:

Governmental activities -	
Notes payable:	
$39,541 equipment loan dated September 1, 2021; interest at 4.30 percent	$ 8,585
$117,143 equipment loan dated May 5, 2023; interest at 5.79 percent	72,179
Total notes payable applicable to governmental activities	$ 80,764
Business-type activities -	
Revenue bonds:	
$225,000 Sewer Revenue Bonds, due in monthly installments of $1,033 through August 31, 2034; interest at 4.5 percent	$ 94,141
$150,000 Limited Tax Bonds, Series 2014, due in annual installments of $4,000 - $16,000 through March 1, 2026; interest at 3.0 percent	16,000
Notes payable:	
$28,677 auto loan dated October 27, 2021; interest at 4.98 percent	6,132
Total bonds and notes payable applicable to business-type activities	$ 116,273

Annual debt service requirements of all outstanding debt are as follows:

	Governmental Activities		Business-Type Activities		Total	
Year ending June 30,	Principal payments	Interest payments	Principal payments	Interest payments	Principal payments	Interest payments
2026	$ 31,304	$ 4,548	$ 31,170	$ 5,173	$ 62,474	$ 9,721
2027	24,034	2,864	8,742	3,651	32,776	6,515
2028	25,426	1,472	9,144	3,249	34,570	4,721
2029	-	-	9,564	2,829	9,564	2,829
2030	-	-	10,003	2,390	10,003	2,390
2031 - 2035	-	-	47,650	4,765	47,650	4,765
Total	$ 80,764	$ 8,884	$ 116,273	$ 22,057	$ 197,037	$ 30,941

In the event of default of the bonds or notes payable, all outstanding principal and interest accrued may become due immediately.

Compensated absences payable is not amortizable because the timing of the payouts is based on factors outside of the Town's control.

(12) On-Behalf Payment of Salaries

The State of Louisiana paid the Town's police officers $25,580 of supplemental pay during the year ended June 30, 2025. Such payments are recorded as intergovernmental revenues and public safety expenditures in the government-wide and General Fund financial statements.

(13) Litigation and Claims

At June 30, 2025, the Town was involved in certain lawsuits arising from the normal course of operations, which have been referred to its insurance provider. It is the opinion of the Town's legal counsel that the Town has no liability in excess of insurance coverage.

(14) Risk Management

The Town is exposed to risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains commercial insurance coverage for each of those risks of loss. Management believes coverage is sufficient to preclude any significant uninsured losses to the Town. There have been no significant reductions in the insurance during the year, nor have settlements exceeded coverage for the past three years.

(15) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended June 30, 2025 follows:

Mayor Patrick Richard	$ 18,000
Aldermen:	
Devin Thomas	9,600
Ted Miller	9,600
Sandra Smith	9,600
Brandon Bobb	9,600
Gretchen Coco	9,600
	48,000
	$ 66,000

(16) Compensation, Benefits and Other Payments to Mayor

A detail of compensation, benefits, and other payments made to Mayor Patrick Richard for the year ended June 30, 2025 follows:

Purpose	Amount
Salary	$ 18,000

(17) Interfund Receivables/Payables

A. A summary of interfund receivables and payables at June 30, 2025 follows:

	Interfund Receivables	Interfund Payables
Major governmental funds:		
General Fund	$ 88,163	$ -
Sales Tax Fund	-	55,854
2010 Sales Tax Fund	44,871	-
Proprietary funds:		
Gas Fund	95,854	-
Water Fund	-	112,429
Sewer Fund	-	60,605
Total	$ 228,888	$ 228,888

The amounts of interfund receivables and payables listed above are for short-term loans.

B. Transfers consisted of the following at June 30, 2025:

	Transfers In	Transfers Out
Major governmental funds:		
General Fund	$ 99,070	$ -
2010 Sales Tax Fund	-	115,000
TIF District Fund	-	54,227
Proprietary Fund:		
Water Fund	70,157	-
Total	$ 169,227	$ 169,227

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the different funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(18) New Accounting Pronouncements

The Town adopted GASB Statement No. 101, "Compensated Absences," during the year ended June 30, 2025. Management has applied the provisions of Statement No. 101 to its vacation and sick leave policies and remeasured its liability for compensated absences as of July 31, 2024, resulting in a change in the previously reported liability which management determined is not material to the financial statements taken as a whole. The effect has been recognized in the current period, and net position, fund balance, and fund net position as previously reported at the beginning of the year have not been restated.

The Town adopted GASB Statement No. 102, "Certain Risk Disclosures," during the year ended June 30, 2025. Management has evaluated the Town's concentrations and constraints and concluded that no disclosure is required because no associated event has occurred, has begun to occur, or is more likely than not to begin to occur within 12 months of the date these financial statements are issued.

The Governmental Accounting Standards Board (GASB) has issued the following statements and implementation guides which were not required to be implemented by the Town during the current fiscal year.

- Statement No. 103, "Financial Reporting Model Improvements." The requirements of this Statement are effective for annual report periods beginning after June 15, 2025.
- Statement No. 104, "Disclosure of Certain Capital Assets." The requirements of this Statement are effective for annual reporting periods beginning after June 15, 2025.
- Statement No. 105, "Subsequent Events." The requirements of this Statement are effective for annual reporting periods beginning after June 15, 2026.

The effect of implementation of these new pronouncements on the Town's financial statements has not yet been determined.

(19) Correction of an Error

During the year, the Town identified errors related to the overstatement of cash and interest-bearing deposits, the overstatement of prepaid items, the understatement of utility receivables, and the understatement of accounts and other payables. To correct these errors, the Town has restated its financial statements for prior periods. The cumulative effect of this error correction as of the beginning of the year is as follows:

	Governmental Activities	General Fund
Net position/Fund balance - decreased by	$ 105,610	$ 105,610
Cash and interest-bearing deposits - decreased by	67,906	67,906
Prepaid items - decreased by	10,615	10,615
Accounts and other payables - increased by	27,089	27,089

	Business-type Activities	Gas Fund
Net position - increased by	$ 48,647	$ 14,854
Accounts receivable, net - increased by	48,647	14,854

	Water Fund	Sewer Fund
Net position - increased by	$ 18,462	$ 15,331
Accounts receivable, net - increased by	18,462	15,331

The effect of the correction on individual line items in the June 30, 2024 restated financial statements is as follows:

Financial Statement Line Item	FY2024 As Previously Reported	FY2024 As Restated	Adjustment
Governmental Activities:			
Cash and interest-bearing deposits	$ 3,514,132	$ 3,446,226	$ (67,906)
Prepaid items	10,615	-	(10,615)
Accounts and other payables	79,228	106,317	(27,089)
Net position	4,730,159	4,624,549	105,610
General Fund:			
Cash and interest-bearing deposits	$ 888,790	$ 820,884	$ (67,906)
Prepaid items	10,615	-	(10,615)
Accounts and other payables	74,860	101,949	(27,089)
Fund balance	1,070,090	964,480	105,610

Financial Statement Line Item	FY2024 As Previously Reported	FY2024 As Restated	Adjustment
Business-type Activites:			
Accounts receivable, net	$ 47,551	$ 96,198	$ 48,647
Net position	2,756,732	2,805,379	(48,647)
Gas Fund:			
Accounts receivable, net	$ 12,615	$ 27,469	$ 14,854
Net position	282,927	297,781	(14,854)
Water Fund:			
Accounts receivable, net	$ 18,507	$ 36,969	$ 18,462
Net position	1,434,150	1,452,612	(18,462)
Sewer Fund:			
Accounts receivable, net	$ 16,429	$ 31,760	$ 15,331
Net position	1,039,655	1,054,986	(15,331)

REQUIRED
SUPPLEMENTARY INFORMATION

TOWN OF GRAND COTEAU, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 212,583	$ 233,056	$ 231,720	$ (1,336)
Licenses and permits	34,300	41,245	62,455	21,210
Intergovernmental	789,495	576,469	562,740	(13,729)
Fines and forfeits	200,750	250,438	288,536	38,098
Miscellaneous	17,309	105,237	45,853	(59,384)
Total revenues	1,254,437	1,206,445	1,191,304	(15,141)
Expenditures:				
Current -				
General government	479,222	476,820	539,531	(62,711)
Public safety - police	569,528	481,395	466,540	14,855
Public safety - fire	282,880	170,455	167,248	3,207
Highways and streets	209,035	93,179	55,765	37,414
Culture and recreation	6,291	15,968	11,388	4,580
Capital outlay	75,000	53,643	102,855	(49,212)
Debt service	35,855	15,930	44,813	(28,883)
Total expenditures	1,657,811	1,307,390	1,388,140	(80,750)
Deficiency of revenues over expenditures	(403,374)	(100,945)	(196,836)	(95,891)
Other financing sources (uses):				
Transfers in	290,000	-	99,070	99,070
Net change in fund balance	(113,374)	(100,945)	(97,766)	3,179
Fund balance, beginning - as restated	964,480	964,480	964,480	-
Fund balance, ending	$ 851,106	$ 863,535	$ 866,714	$ 3,179

The accompanying notes are an integral part of this schedule.

TOWN OF GRAND COTEAU, LOUISIANA
Sales Tax Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Budget			Variance - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 259,000	$ 351,966	$ 254,304	$(97,662)
Miscellaneous - interest	8	9	8	(1)
Total revenues	259,008	351,975	254,312	(97,663)
Expenditures:				
Current -				
General government:	19,400	5,442	2,612	2,830
Excess of revenues over expenditures	239,608	346,533	251,700	(94,833)
Other financing uses:				
Transfers out	(130,000)	-	-	-
Net change in fund balance	109,608	346,533	251,700	(94,833)
Fund balance, beginning	659,702	659,702	659,702	-
Fund balance, ending	$ 769,310	$1,006,235	$ 911,402	$(94,833)

The accompanying notes are an integral part of this schedule.

TOWN OF GRAND COTEAU, LOUISIANA
2010 Sales Tax Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Budget			Variance - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 233,000	$ 255,074	$ 254,304	$ (770)
Expenditures:				
Current -				
General government:	20,500	-	2,613	(2,613)
Excess of revenues over expenditures	212,500	255,074	251,691	(3,383)
Other financing uses:				
Transfers out	(130,000)	(115,000)	(115,000)	-
Net change in fund balance	82,500	140,074	136,691	(3,383)
Fund balance, beginning	606,573	606,573	606,573	-
Fund balance, ending	$ 689,073	$ 746,647	$ 743,264	$ (3,383)

The accompanying notes are an integral part of this schedule.

TOWN OF GRAND COTEAU, LOUISIANA
TIF District Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Budget			Variance - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 193,700	$ 210,634	$ 200,457	$ (10,177)
Miscellaneous - interest	2	3	3	-
Total revenues	193,702	210,637	200,460	(10,177)
Expenditures:				
Current -				
General government:	32,300	90,284	77,499	12,785
Excess of revenues over expenditures	161,402	120,353	122,961	2,608
Other financing uses:				
Transfers out	-	-	(54,227)	(54,227)
Net change in fund balance	161,402	120,353	68,734	(51,619)
Fund balance, beginning	1,336,106	1,336,106	1,336,106	-
Fund balance, ending	$ 1,497,508	$ 1,456,459	$ 1,404,840	$ (51,619)

The accompanying notes are an integral part of this schedule.

(1) Budget and Budgetary Accounting

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

1. Prior to June 15, the Town Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1.

2. A summary of the proposed budget is published, and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.

6. All budgetary appropriations lapse at the end of each fiscal year.

7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen.

(2) Excess of Expenditures Over Appropriations

The General Fund and the 2010 Sales Tax Fund incurred expenditures in excess of appropriations totaling, $80,750 and $2,613, respectively, for the year ended June 30, 2025.

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

TOWN OF GRAND COTEAU, LOUISIANA
Grand Coteau, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session

Entity Name: Town of Grand Coteau, Louisiana
LLA Entity ID#: 2256
Date that reporting period ended: June 30, 2025

Cash Basis Presentation	First Six Month Period Ended December 31, 2024	Second Six Month Period Ended June 30, 2025
Beginning balance of amounts collected	$ 3,366	$ 9,708
Add: Collections		
Criminal court costs/fees	13,613	27,638
Criminal fines - other	86,797	156,496
Subtotal Collections	100,410	184,134
Less Amounts Retained by Town of Grand Coteau, Louisiana		
Criminal court costs/fees	13,613	27,638
Criminal fines/costs - other	80,455	144,444
Less Disbursements to Governments & Nonprofits		
Criminalistics Laboratory Acadiana/Criminal court costs and fees	-	90
Louisiana Supreme Court/Criminal court costs and fees	-	122
St. Landry Crime Stoppers, Inc./Criminal court costs and fees	-	486
Louisiana Commission on Law Enforcement/Criminal court costs and fees	-	476
Louisiana Traumatic Head & Spinal Court Injury Trust Fund/Criminal court costs & fees	-	1,215
Department of the Treasury - CMIS/Criminal court costs and fees	-	243
Subtotal Disbursements/Retainage	94,068	174,714
Total: Ending Balance of Amounts Collected but not Disbursed/Retained	$ 9,708	$ 19,128

TOWN OF GRAND COTEAU, LOUISIANA

Schedule of Insurance in Force
(Unaudited)
June 30, 2025

Insurer	Type of Coverage	Limits of Coverage	Effective Dates From	Effective Dates To
Louisiana Municipal Risk Management Agency	Workmen's Compensation	Statutory	Monthly	Monthly
Western Surety Bond (CNA)	Position Bond	$246,000	9/15/2024	9/15/2025
	Blanket Bond	$5,000	10/1/2024	10/1/2025
Dupre Carrier Godchaux Agency	Property/Building	$10,000 deductible	3/14/2025	3/14/2026
	Town Hall	$626,032		
	Utility Shed	$23,680		
	Police Building	$626,034		
	Fire Station	$636,333		
	Equipment Garage	$62,168		
	Recreation	$94,917		
	Gas Rectifiers	$32,436		
	Water and Sewer System	$337,366		
	Water Treatment Plant	$457,575		
	Chlorinator Equipment Shed	$109,068		
	Tradewinds Generator	$176,400		
	Lift Stations	$561,177		
	Property in the open	$478,310		
Louisiana Risk Management	General Liability	$500,000	5/1/2025	5/1/2026
	Errors and Omissions	$500,000; $1,000 deductible each claimant		
	Law Enforcement Officer	$500,000 $1,000 deductible		
	Automobile Liability	$500,000		
	Uninsured Motorist	$100,000		
Rod Prejean & Associates	Vehicles Physical Damage - FD	$107,500	1/8/2025	1/8/2026
	Each occurrence - FD	$1,500,000		
	Vehicles Physical Damage	$250,767	3/7/2025	3/7/2026
	Each occurrence	$1,500,000		

INTERNAL CONTROL, COMPLIANCE

AND

OTHER MATTERS

KOLDER, SLAVEN & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Patrick Richard, Mayor
and Members of the Board of Aldermen
Town of Grand Coteau, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Grand Coteau, Louisiana (the Town), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated August 24, 2026.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of current and prior year audit findings and management's corrective action plan, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 Town's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2025-001, 2025-002, 2025-005, 2025-006, and 2025-009 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2025-003, 2025-004, 2025-007, 2025-008, and 2025-010 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards,* and which are described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2025-011, 2025-012, 2025-013, 2025-014, and 2025-015.

Town of Grand Coteau, Louisiana's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town'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 Town'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, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
August 24, 2026

TOWN OF GRAND COTEAU, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
For the Year Ended June 30, 2025

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

A. Internal Control Over Financial Reporting

2025-001 Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: Unknown

CONDITION: The Town does not have adequate internal controls over recording the entity's financial transactions or preparing its financial statements, including the related notes in accordance with generally accepted accounting principles (GAAP).

CRITERIA: AU-C§265.A37 identifies the following as a deficiency in the design of (internal) controls:

> "… in an entity that prepares financial statements in accordance with generally accepted accounting principles, the person responsible for the accounting and reporting function lacks the skills and knowledge to apply generally accepted accounting principles in recording the entity's financial transactions or preparing its financial statements."

CAUSE: The cause of the condition is the result of a failure to design or implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Financial statements and related supporting transactions may reflect a material departure from generally accepted accounting principles.

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the Town to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

2025-002 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

CONDITION: The Town did not have adequate segregation of functions within the accounting system.

CRITERIA: AU-C§315.12, *Understanding the Entity and its Environment and assessing the Risks of Material Misstatement,* defines internal control as follows:

> "The system designed, implemented, and maintained by those charged with governance, management, and other personnel to provide reasonable assurance about the achievement of an entity's objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations."

Management is responsible 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. Management acknowledged this responsibility in its written representations to us.

CAUSE: The Town does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties, and it has not implemented alternative control activities to compensate for that limitation.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Management should evaluate the cost vs. benefit of complete segregation and whenever possible, reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) record keeping; and (4) reconciliation.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town has determined that it is not cost effective to achieve complete segregation of duties within the accounting department.

2025-003 Controls over Personnel Files

Fiscal year finding initially occurred: Unknown

CONDITION: The Town did not have proper controls over the maintenance of personnel files.

CRITERIA: AU-C§315.12, *Understanding the Entity and its Environment and assessing the Risks of Material Misstatement,* defines internal control as follows:

> "The system designed, implemented, and maintained by those charged with governance, management, and other personnel to provide reasonable assurance about the achievement of an entity's objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations."

Management is responsible 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. Management acknowledged this responsibility in its written representations to us.

CAUSE: The cause of the condition is the failure to maintain personnel files.

EFFECT: Failure to maintain personnel files could result in employees being paid at a rate not approved by the Board of Aldermen and deductions applied at incorrect amounts.

RECOMMENDATION: Procedures should be implemented to ensure that personnel files are current and complete for all employees.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town will implement procedures to ensure personnel files are maintained and kept current for all employees.

2025-004 Maintenance of Employee Leave Records

Fiscal year finding initially occurred: 2021

CONDITION: The Town did not have proper controls over the maintenance of employee leave records.

CRITERIA: AU-C§315.12, *Understanding the Entity and its Environment and assessing the Risks of Material Misstatement,* defines internal control as follows:

> "The system designed, implemented, and maintained by those charged with governance, management, and other personnel to provide reasonable assurance about the achievement of an entity's objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations."

Management is responsible 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. Management acknowledged this responsibility in its written representations to us.

CAUSE: The cause of the condition is the failure to maintain a system to track the accrual and use of employee vacation and sick leave.

EFFECT: Failure to maintain employee leave records could result in employees being paid for leave time in excess of amounts of available leave time.

RECOMMENDATION: Procedures should be implemented to ensure that leave records are current and complete for all employees.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town will implement procedures to ensure leave records are maintained and kept current for all employees.

2025-005 Written Policies and Procedures

Fiscal year finding initially occurred: 2023

CONDITION: The Town does not have written policies and procedures for budgeting, receipts/collections, payroll processing, contracting, use of credit cards, travel and expense reimbursements, ethics, debt service, capital asset management, and the safeguarding of traffic tickets.

CRITERIA: Formal written policies and procedures are necessary as a clear understanding of what should be done, how it should be done, who should do it, and when it should be done and ensure the procedures followed meet management's expectations. Written procedures aid in the continuity of operations and for cross-training staff.

CAUSE: The cause of the condition is the fact that the Town has not properly documented its policies and procedures.

EFFECT: Failure to adopt formal written policies and procedures increases the risk that improper use of Town assets or violations of policy may occur and not be identified.

RECOMMENDATION: Management should adopt formal written policies and procedures for budgeting, receipts/collections, payroll processing, contracting, use of credit cards, travel and expense reimbursements, ethics, debt service, capital asset management, and the safeguarding of traffic tickets.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Management will review policies and procedures and will properly document procedures in place for budgeting, receipts/collections, payroll processing, contracting, use of credit cards, travel and expense reimbursements, ethics, debt service, capital asset management, and the safeguarding of traffic tickets.

2025-006 Untimely and Incomplete Reconciliation of Balance Sheet Accounts

Fiscal year finding initially occurred: 2021

CONDITION: During our audit of the Town's financial records for the fiscal year ended June 30, 2025, we noted that key balance sheet accounts, including interfund receivables and payables, utility receivables, meter deposits liabilities, and cash accounts, were not being reconciled on a regular and timely basis.

CRITERIA: Sound financial management practices, Governmental Accounting Standards Board (GASB) principles, and Generally Accepted Accounting Principles (GAAP) requirements necessitate that governments maintain accurate and timely financial records. These standards and best practices stipulate that all balance sheet accounts, including cash and receivable balances, be reconciled at least monthly to ensure the reliability and accuracy of financial reporting and compliance with federal, state, and local regulations.

CAUSE: It appears that a lack of established procedures, insufficient staff training, and/or inadequate oversight contributed to the absence of routine, timely account reconciliations.

EFFECT: Without timely and accurate reconciliations, the Town faces an increased risk of undetected errors, misstatements, and potential misappropriation of assets. This condition could lead to misleading financial information provided to internal and external stakeholders, potentially impacting decision-making, grant compliance, budgeting, and overall financial management.

RECOMMENDATION: We recommend that the Town implement written policies and procedures requiring monthly reconciliations of all significant balance sheet accounts. Management should ensure that accounting personnel receive adequate training and that supervisory reviews are performed to verify the completeness and accuracy of reconciliations.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town will establish policies and procedures to ensure significant balance sheet accounts are reconciled monthly with the detailed subsidiary ledgers and underlying source documentation.

2025-007 Utility Bill Collections

Fiscal year finding initially occurred: 2021

CONDITION: During a test of utility accounts of the Town's customers, it was noted that some accounts are not being paid in full or timely, and the customers, including employees and Town officials, continue to receive service in violation of the Town's utility cut-off policy and are not charged a late fee in all instances.

CRITERIA: The utility cut-off policy requires that the Town terminate services to customers when an account becomes 30 days delinquent. The Town's policy also requires that a late fee be charged if payment is not received by the 15th of the month.

CAUSE: The Town has not properly followed its written policies and procedures regarding past due accounts and proper cut-off procedures to disconnect services relating to nonpayment by customers.

EFFECT: Failure to follow written policies and procedures increases the risk of not having continuity of operations and the risk of long outstanding collections of utilities.

RECOMMENDATION: Management should consistently comply with its written policies and procedures in the future and cut-off utility services of customers, including employees and Town officials, who do not pay within the time limited stated in the policy.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town will adhere to its cut-off policy.

2025-008 Overdraft Fees

Fiscal year finding initially occurred: 2025

CONDITION: During our audit of the Town for the fiscal year ended June 30, 2025, the Town incurred overdraft fees totaling $4,400 resulting from disbursements being presented for payment when insufficient funds were available in the related bank account.

CRITERIA: Sound financial management practices, as set forth by the Government Finance Officers Association (GFOA) and the Louisiana Local Government Budget Act require local governments to adopt sound financial management practices. Management is responsible for establishing and maintaining effective internal controls over cash management to ensure that sufficient cash is available to meet financial obligations as they become due and that bank accounts are monitored and reconciled on a timely basis.

CAUSE: Management did not establish or consistently perform adequate procedures to monitor daily cash balances, forecast cash needs, and ensure sufficient funds were available before checks and electronic payments were processed.

EFFECT: The Town incurred unnecessary bank fees, resulting in the inefficient use of public funds. Continued inadequate cash management increases the risk that vendors, employees, debt service obligations, and other financial commitments may not be paid timely, potentially damaging the municipality's financial reputation and relationships with vendors and financial institutions.

RECOMMENDATION: We recommend that the Town strengthen internal controls over cash management by implementing procedures to monitor bank account balances on a daily basis; ensure sufficient funds are available before checks or electronic payments are released; perform timely bank reconciliations and investigate unusual cash activity promptly.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town will implement procedures to improve cash monitoring, review available cash prior to issuing payments, and strengthen oversight of bank account activity to prevent future overdraft charges.

2025-009 Electronic Timekeeping System

Fiscal year finding initially occurred: 2024

CONDITION: During our audit of the Town for the fiscal year ended June 30, 2025, we identified instances where the number of hours reflected on employee pay stubs did not consistently agree with the hours recorded in the electronic timekeeping system. These variances were not limited to a single department, indicating a systemic issue. As a result, some employees may have received inaccurate compensation.

CRITERIA: Prudent financial management and accountability standards, as recommended by the Louisiana Legislative Auditor, Louisiana Revised Statutes, and the Government Finance Officers Association (GFOA) require accurate and reliable documentation of payroll. Payroll records should align with verified timekeeping data to ensure fair compensation and safeguard public funds from improper disbursement.

CAUSE: These discrepancies appear to result from inadequate internal controls over the reconciliation and verification of hours worked, including:

- Weak integration or oversight between the electronic timekeeping system and the payroll system.
- Insufficient review and approval procedures to detect and resolve discrepancies before payroll is processed.
- Lack of formal, documented policies and procedures governing the reconciliation of timekeeping data with payroll records.

EFFECT: If paid hours are not reconciled to the official timekeeping records, the Town risks financial losses through overpayments, employee dissatisfaction due to underpayments, and potential noncompliance with state and federal requirements.

RECOMMENDATION: We recommend that the Town strengthen its payroll-related internal controls by establishing a formal reconciliation process to regularly compare timekeeping reports to payroll registers prior to issuance of paychecks; implementing written policies and procedures that clearly define responsibilities, set timelines for reviews, and specify corrective actions when discrepancies are identified; and providing training to payroll, human resources, and supervisory personnel to ensure consistent adherence to approved practices and proper utilization of the timekeeping and payroll systems.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town will establish procedures to ensure the electronic timekeeping system is fully and properly utilized.

2025-010 Delinquent Sales and Payroll Tax Payments

Fiscal year finding initially occurred: 2024

CONDITION: During our audit of the Town for the fiscal year ended June 30, 2025, we noted that the Town did not consistently remit certain taxes and file required returns on time. Specifically, the Town failed to timely remit federal and state withholding taxes, submitted sales tax returns and remittances late, filed state unemployment reports and remitted related taxes after the designated deadlines, and failed to timely submit Federal Form 941 (Employer's Quarterly Federal Tax Return), resulting in late filings and potential exposure to penalties and interest at the federal level. As a result of these late filings and payments, the Town was assessed penalties and interest and was subject to bank levies being placed on the town in November 2024 and February 2025.

CRITERIA: Applicable Louisiana statutes and regulations, as well as federal tax requirements (e.g. Internal Revenue Code provisions and IRS regulations), mandate timely filing and payment of all payroll, withholding, sales, and unemployment taxes. Compliance ensures the avoidance of penalties, interest, and other enforcement actions. Timely reporting and remittance are fundamental responsibilities of municipal governments, reflecting sound financial stewardship and accountability to the public.

CAUSE: The delays in filing and remitting taxes appear to be due to inadequate internal controls, insufficient oversight, and/or a lack of adherence to established deadlines and procedures.

EFFECT: Noncompliance with tax filing and payment obligations led to unnecessary penalties and interest charges for the Town and increases the risk of future penalties and interest charges. Such inefficiencies reduce funds available for public services, can damage the Town's reputation and credibility with state and federal agencies, and erode public confidence in the Town's fiscal management practices.

RECOMMENDATION: We recommend that the Town strengthen its internal controls and establish clear written policies and procedures to ensure timely compliance with all federal and state tax requirements. These measures should include implementing an internal calendar or reminder system for all filing and payment deadlines; providing training and support to personnel responsible for tax reporting, withholding, and remittance; and conducting supervisory reviews and periodic compliance audits of tax filing and payments.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town will evaluate and establish procedures to ensure all sales and payroll tax reports and payments are remitted by the prescribed due dates. As of the date of this report, all tax filings and payments are current.

B. Compliance

2025-011 Failure to Publish Minutes

Fiscal year finding initially occurred: 2021

CONDITION: The Town did not publish minutes for all of its public meetings within a reasonable period of time.

CRITERIA: LA R.S. 42:20 states that all public bodies shall keep written minutes of all open meetings. It further states that the minutes shall be public records and shall be available within a reasonable period of time after the meeting and published in the public body's official journal. LA R.S. 43:144 requires the official proceedings to be published within 20 days from the date of the meeting. In addition, LA R.S. 42:20B states that if the public body has a website, the minutes need to be posted to the website within 10 days after publication in the official journal and should remain there for at least three months after being posted online.

CAUSE: The Town did not publish minutes in the official journal within the required time frame but rather posted a copy of the minutes on the Town Hall door and on the local Post Office bulletin board.

EFFECT: Members of the public were not provided with information regarding the Town's activities in the manner prescribed by law.

RECOMMENDATION: The Town should comply with LA R.S. 42:20B and 43:144 and publish all minutes in accordance with state law.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town will implement policies and procedures to ensure that minutes of all open meetings will be made available as public record and published in the official journal timely.

2025-012 Noncompliance with Budget Act

Fiscal year finding initially occurred: 2025

CONDITION: The Town did not comply with the provisions of LRS 39:1307. The Town published notice of the public hearing on the proposed fiscal year 2025 operating budget six days prior to the public hearing rather than the minimum ten days as required by LRS 39:1307. In addition, the Town did not publish the pos-adoption certification required by LRS 39:1307(D) after the adoption of the fiscal year 2025 operating budget.

CRITERIA: LRS 39:1307 requires political subdivisions subject to the public participation requirements of the Louisiana Local Government Budget Act to publish a notice that the proposed budget is available for public inspection and the date, time, and place of the public hearing at least ten days prior to the public hearing. The public hearing must be conducted prior to the end of the fiscal year. In addition, upon completion of the budget adoption process, LRS 39:1307(D) requires the political subdivision to publish a certification that it has completed the actions required by the statute.

CAUSE: Management was not sufficiently familiar with the publication requirements of the Louisiana Local Government Budget Act and did not have procedures in place to ensure all statutory notice requirements were completed within the required timeframes.

EFFECT: Failure to provide the required advance notice reduced the period during which citizens could review the proposed budget and participate in the budget process. Additionally, failure to publish the post-adoption certification resulted in noncompliance with state law and reduced public transparency regarding completion of the statutory budget adoption process.

RECOMMENDATION: We recommend that the Town establish and enforce procedures to ensure compliance with the publication requirements of the Louisiana Local Government Budget Act.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town will implement policies to ensure compliance with the publication requirements of the Louisiana Local Government Budget Act.

2025-013 Noncompliance with Budget Act

Fiscal year finding initially occurred: 2024

CONDITION: The Town did not comply with the provisions of LA R.S. 39:1311(A) with respect to the General Fund, Sales Tax Fund, and the 2010 Sales Tax Fund. Total revenues failed to meet budgeted revenues in the Sales Tax Fund by $97,663 or 27.75%. Total expenditures exceeded budgeted expenditures in the General Fund and 2010 Sales Tax Fund by $80,750 or 6.18% and $2,613 or 100%, respectively. These variances were not supported by an authorized budget amendment as required under the Louisiana Local Government Budget Act.

CRITERIA: The Louisiana Local Government Budget Act (LA R.S. 39:1301 et seq.) establishes requirements for the adoption and amendment of budgets for political subdivisions. Specifically, LA R.S. 39:1311(A) requires that 1) revenues not fail to meet total budgeted revenues in the legally adopted budget by more than 5% and 2) expenditures not exceed the appropriations authorized in the legally adopted budget by more than 5%. Any variations greater than 5% are to be addressed through duly adopted budget amendments.

CAUSE: Management did not adequately monitor budget-to-actual operating results throughout the year and did not implement procedures to identify when statutory budget amendment thresholds had been exceeded.

EFFECT: Failure to amend the budget compromises compliance with state statues, weakens budgetary control and accountability, and may diminish public trust in the Town's financial management practices.

RECOMMENDATION: We recommend that the Town strengthen its budget monitoring and control processes. Management and the governing board should regularly review financial performance against budgeted amounts to identify and address significant variances promptly. If the budget needs to be adjusted, amendments should be adopted as outlined in LA R.S. 39:1301 et seq. Providing training to staff involved in budgeting and conducting periodic budgetary oversight meetings will further ensure compliance and enhance the Town's overall fiscal governance.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town will implement policies and procedures to ensure compliance with LA R.S. 39:1301 et seq.

2025-014 Failure to Remit Court-Specific Fees Timely

Fiscal year finding initially occurred: 2024

CONDITION: During our audit of the Town for the year ended June 30, 2025, we noted that court-specific fees and the required remittance forms were not remitted in a timely manner to various state agencies, including the Louisiana Supreme Court, as required. Specifically, fees collected for the period February 2024 through June 2024 were not remitted until January 2025. Any fees collected after June 2025 have not been remitted as of the conclusion of our fieldwork.

CRITERIA: Louisiana statutes and administrative rules, as well as directives issued by the Louisiana Supreme Court, require that political subdivisions remit court-related fees and reports on a timely schedule. Timely remittance ensures that the state agencies and the judiciary receive accurate, current financial information necessary to fulfill their oversight and operational responsibilities.

CAUSE: The Town did not establish or follow adequate internal control procedures for remitting court-specific fees.

EFFECT: Failing to remit court-specific fees and related reports timely is noncompliant with statutory and regulatory requirements, potentially delaying the state agencies' ability to utilize these funds and perform mandated functions. Prolonged noncompliance may result in further scrutiny, penalties, or reputational damage to the Town.

RECOMMENDATION: We recommend that the Town implement and adhere to a formal schedule for timely remittance of court-specific fees and related reports, supported by robust internal controls and periodic compliance reviews. Management should designate responsible personnel to monitor deadlines and maintain records of submission. Additionally, periodic training on statutory requirements and reporting obligations should be provided to ensure all involved staff understand and comply with mandated timelines.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town will implement policies and procedures to ensure compliance that court-specific fees and all related reports are submitted timely to the various state agencies as required.

2025-015 Late Issuance of Audit Report

Fiscal year finding initially occurred: 2024

CONDITION: The Town's audit report was not complete until after the deadline imposed by state law.

CRITERIA: LSA-RS 24:513(5)(a)(i) (the state audit law) requires audited financial statements to be submitted to the Louisiana Legislative Auditor's office within six months after the fiscal year end of the Town.

CAUSE: The Town was unable to provide documentation for the audit timely.

EFFECT: The Town was not incompliance with LSA-RS 24:513(5)(a)(i).

RECOMMENDATION: The Town should implement policies and procedures to ensure that all financial records are readily available for audit in a timely manner.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town will implement policies and procedures to ensure that all financial records are readily available for audit in a timely manner.

C. Management Letter

A management letter was issued relating to operating losses in the Town's Gas, Water, and Sewer Funds.

TOWN OF GRAND COTEAU, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
For the Year Ended June 30, 2025

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting and Compliance

2024-001 Inadequate Segregation of Accounting Functions

CONDITION: The Town did not have adequate segregation of functions within the accounting system.

RECOMMENDATION: Management should evaluate the cost vs. benefit of complete segregation and whenever possible, reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) record keeping; and (4) reconciliation.

CURRENT STATUS: Unresolved. See item 2025-002.

2024-002 Controls over Personnel Files

CONDITION: The Town did not have proper controls over the maintenance of personnel files.

RECOMMENDATION: Procedures should be implemented to ensure that personnel files are current and complete for all employees.

CURRENT STATUS: Unresolved. See item 2025-003.

2024-003 Maintenance of Employee Leave Records

CONDITION: The Town did not have proper controls over the maintenance of employee leave records.

RECOMMENDATION: Procedures should be implemented to ensure that leave records are current and complete for all employees.

CURRENT STATUS: Unresolved. See item 2025-004.

2024-004 Written Policies and Procedures

CONDITION: The Town does not have written policies and procedures for budgeting, receipts/collections, payroll processing, contracting, use of credit cards, travel and expense reimbursements, ethics, debt service, capital asset management, and the safeguarding of traffic tickets.

RECOMMENDATION: Management should adopt formal written policies and procedures for budgeting, receipts/collections, payroll processing, contracting, use of credit cards, travel and expense reimbursements, ethics, debt service, capital asset management, and the safeguarding of traffic tickets.

CURRENT STATUS: Unresolved. See item 2025-005.

2024-005 Untimely and Incomplete Reconciliation of Balance Sheet Accounts

CONDITION: During our audit of the Town's financial records for the fiscal year ended June 30, 2024, we noted that key balance sheet accounts, including interfund receivables and payables, utility receivables, meter deposit liabilities, and cash accounts, were not being reconciled on a regular and timely basis.

RECOMMENDATION: We recommend that the Town implement written policies and procedures requiring monthly reconciliations of all significant balance sheet accounts. Management should ensure that accounting personnel receive adequate training and that supervisory reviews are performed to verify the completeness and accuracy of reconciliations.

CURRENT STATUS: Unresolved. See item 2025-006.

2024-006 Utility Bill Collections

CONDITION: During a test of utility accounts of the Town's customers, it was noted that some accounts are not being paid in full or timely, and the customers, including employees and Town officials, continue to receive service in violation of the Town's utility cut-off policy and are not charged a late fee.

RECOMMENDATION: Management should consistently comply with its written policies and procedures in the future and cut-off utility services of customers, including employees and Town officials, who do not pay within the time limited stated in the policy.

CURRENT STATUS: Unresolved. See item 2025-007.

2024-007 Late Payment of Vendor Invoices

CONDITION: During our audit of the Town for the fiscal year ended June 30, 2024, we noted multiple instances where vendor invoices were not paid within the agreed-upon terms. As a direct result of these delays, the Town incurred late fees and finance charges on these overdue balances. The delayed payments were not isolated to a single vendor or department and included various routine operating expenditures.

RECOMMENDATION: We recommend that the Town establish and document written policies and procedures governing the prompt processing and payment of invoices. This should include clear timelines, approval hierarchies, and regular monitoring of account payable aging reports to ensure timely payments.

CURRENT STATUS: Resolved.

2024-008 Electronic Timekeeping System

CONDITION: During our audit of the Town for the fiscal year ended June 30, 2025, we identified instances where the number of hours reflected on employee pay stubs did not consistently agree with the hours recorded in the electronic timekeeping system. These variances were not limited to a single department, indicating a systemic issue. As a result, some employees may have received inaccurate compensation.

RECOMMENDATION: We recommend that the Town strengthen its payroll-related internal controls by establishing a formal reconciliation process to regularly compare timekeeping reports to payroll registers prior to issuance of paychecks; implementing written policies and procedures that clearly define responsibilities, set timelines for reviews, and specify corrective actions when discrepancies are identified; and providing training to payroll, human resources, and supervisory personnel to ensure consistent adherence to approved practices and proper utilization of the timekeeping and payroll systems.

CURRENT STATUS: Unresolved. See item 2025-009.

2024-009 Delinquent Sales and Payroll Tax Payments

Fiscal year finding initially occurred: 2024

CONDITION: During our audit of the Town for the fiscal year ended June 30, 2024, we noted that the Town did not consistently remit certain taxes and files required returns on time. Specifically, the Town failed to timely remit state withholding taxes, submitted sales tax returns and remittances late, filed state unemployment reports and remitted related taxes after the designated deadlines, and failed to timely submit Federal Form 941 (Employer's Quarterly Federal Tax Return), resulting in late filings and potential exposure to penalties and interest at the federal level. As a result of these late filings and payments, the Town was assessed penalties and interest and was subject to a bank levy being placed on the town in November 2024.

RECOMMENDATION: We recommend that the Town strengthen its internal controls and establish clear written policies and procedures to ensure timely compliance with all federal and state tax requirements. These measures should include implementing an internal calendar or reminder system for all filing and payment deadlines; providing training and support to personnel responsible for tax reporting, withholding, and remittance; and conducting supervisory reviews and periodic compliance audits of tax filing and payments.

CURRENT STATUS: Unresolved. See item 2025-010.

B. Compliance

2024-010 Failure to Publish Minutes

CONDITION: The Town did not publish minutes for all of its public meetings within a reasonable period of time.

RECOMMENDATION: The Town should comply with LA R.S. 42:20B and 43:144 and publish all minutes in accordance with state law.

CURRENT STATUS: Unresolved. See item 2025-011.

2024-011 Noncompliance with Monthly Meeting Requirement

CONDITION: During the year ending June 30, 2024, the Town, organized under the Lawrason Act, did not hold a governing board meeting for of all the required months. This resulted in a failure to convene the board of aldermen at least once during that month, as mandated by state law.

RECOMMENDATION: We recommend that the Town establish and enforce procedures to ensure compliance with the monthly meeting requirement. This may include setting annual meeting schedules by ordinance, improving internal controls over meeting notifications, and designating backup options should a scheduled meeting be postponed. Documented contingency plans and adherence to statutory obligations will help ensure consistent and transparent governance moving forward.

CURRENT STATUS: Resolved.

TOWN OF GRAND COTEAU, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
For the Year Ended June 30, 2025

2024-012 Noncompliance with Budget Act

CONDITION: The Town did not comply with the provisions of LA R.S. 39:1311(A)(2) with respect to the TIF District Fund. Total expenditures exceeded budgeted expenditures in the TIF District Fund by $7,323, representing an overage of 34%. This excess was not supported by an authorized budget amendment as required under the Louisiana Local Government Budget At.

RECOMMENDATION: We recommend that the Town strengthen its budget monitoring and control processes. Management and the governing board should regularly review financial performance against budgeted amounts to identify and address significant variances promptly. If the budget needs to be adjusted, amendments should be adopted as outlined in LA R.S. 39:1301 et seq. Providing training to staff involved in budgeting and conducting periodic budgetary oversight meetings will further ensure compliance and enhance the Town's overall fiscal governance.

CURRENT STATUS: Unresolved. See item 2025-013.

2024-013 Failure to Remit Court-Specific Fees Timely

CONDITION: During our audit of the Town for the year ended June 30, 2024, we noted that court-specific fees and the required remittance forms were not remitted in a timely manner to various state agencies, including the Louisiana Supreme Court, as required. Specifically, fees collected for the period May 2023 through July 2023 were not remitted until August 2023; fees collected for the period August 2023 through January 2024 were not remitted until March 2024; and any fees collected after January 2024 have not been remitted as of the conclusion of our fieldwork.

RECOMMENDATION: We recommend that the Town implement and adhere to a formal schedule for timely remittance of court-specific fees and related reports, supported by robust internal controls and periodic compliance reviews. Management should designate responsible personnel to monitor deadlines and maintain records of submission. Additionally, periodic training on statutory requirements and reporting obligations should be provided to ensure all involved staff understand and comply with mandated timelines.

CURRENT STATUS: Unresolved. See item 2025-014.

TOWN OF GRAND COTEAU, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
For the Year Ended June 30, 2025

2024-014 Late Issuance of Audit Report

CONDITION: The Town's audit report was not complete until after the deadline imposed by state law.

RECOMMENDATION: The Town should implement policies and procedures to ensure that all financial records are readily available for audit in a timely manner.

CURRENT STATUS: Unresolved. See item 2025-015.

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MANAGEMENT LETTER

The Honorable Patrick Richard, Mayor
and Members of the Board of Aldermen
Town of Grand Coteau, Louisiana

We have completed our audit of the basic financial statements of the Town of Grand Coteau, Louisiana, for the year ended June 30, 2025, and submit the following recommendations for your consideration:

(1) The Gas, Water, and Sewer Funds experienced operating losses during the current year. Failure to make a profit on utility sales could result in the Town not having resources to pay current expenses. The Town should consider increasing utility rates and/or decreasing expenses in order for the utility system to operate on a profitable basis.

In conclusion, we express our appreciation to you and your staff, particularly to your office staff, for the courtesies and assistance rendered to us during the performance of our audit. Should you have any questions or need assistance in implementing our recommendations, please feel free to contact us.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
August 24, 2026

TOWN OF GRAND COTEAU, LOUISIANA

Statewide Agreed-Upon Procedures Report

Year Ended June 30, 2025

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Aldermen of the
Town of Grand Coteau
and the Louisiana Legislative Auditor:

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

The Town of Grand Coteau has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

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

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

Exceptions were found as a result of this procedure.

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

Exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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).

Exceptions were found as a result of this procedure.

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.

Exceptions were found as a result of this procedure.

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.

Exceptions were found as a result of this procedure.

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

Exceptions were found as a result of this procedure.

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

Exceptions were found as a result of this procedure.

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.

Exceptions were found as a result of this procedure.

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

Exceptions were found as a result of this procedure.

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.

Exceptions were found as a result of this procedure.

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

Exceptions were found as a result of this procedure.

2) Board or Finance Committee

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

i. Observe 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.

No exceptions were found as a result of this procedure.

ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds.

Exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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.

Exceptions were found as a result of this procedure.

3) Bank Reconciliations

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

Obtained a listing of entity bank accounts for the fiscal period and management's representation that the listing is complete.

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);

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

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.

Exceptions were found as a result of procedures i – iii.

4) Collections (excluding electronic funds transfers)

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

Obtained a listing of deposit sites for the fiscal period and management's representation that the listing is complete.

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 there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

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

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

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

No exceptions were found as a result of procedures i – iv.

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

No exceptions were found as a result of this procedure.

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and

i. Observe that receipts are sequentially pre-numbered.

Exceptions were found as a result of this procedure.

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

Exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

Exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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).

Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete.

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:

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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;

Exceptions were found as a result of this procedure.

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

Exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

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

No exceptions were found as a result of this procedure.

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

Exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

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

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

Obtained a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards for the fiscal period and management's representation that the listing is complete.

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

i. Observe 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

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

Exceptions were found as a result of procedures i-ii.

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). 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.

Exceptions were found as a result of this procedure.

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:

Obtained a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing is complete.

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);

Exceptions were found as a result of this procedure

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

No exceptions were found as a result of this procedure.

ii. 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

Exceptions were found as a result of this procedure.

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

Exceptions were found as a result of this procedure.

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. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

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

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

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

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

No exceptions were found as a result of procedures i-iv.

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.

Obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Obtained related paid salaries and personnel files and noted that personnel files did not contain evidence of the authorized salary/pay rate.

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

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

No exceptions were found as a result of this procedure.

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

Exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

Exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

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

Exceptions were found as a result of this procedure.

10) Ethics

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

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

Exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

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 balance and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

No exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

13) Information Technology Disaster Recovery/Business Continuity

Perform the following procedures:

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

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

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

D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedures #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 procedures A-E 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.

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

C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that 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.

Exceptions were found as a result of procedures A - C.

Management's Response

Management of the Town of Grand Coteau concurs with the exceptions and are working to address the deficiencies identified.

We were engaged by the Town of Grand Coteau 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 Grand Coteau 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.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
August 24, 2026