TOWN OF CLINTON, LOUISIANA

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED

DECEMBER 31, 2025

TOWN OF CLINTON, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025
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Minda B. Raybourn
Certified Public Accountant
Limited Liability Company

820 11th Avenue
Franklinton, Louisiana 70438
(985) 839-4413
Fax (985) 839-4402
wrcpa@huntbrothers.com

Member AICPA

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor Mark Kemp
And Members of the Board of Aldermen
PO Box 513
Clinton, LA 70722

Report on the Audit of the Financial Statements

Opinions

I have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Clinton, Louisiana as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Town of Clinton's basic financial statements as listed in the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information, of the Town of Clinton, Louisiana, as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Clinton'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

My 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 my 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 GAAS 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 GAAS and *Government Auditing Standards*, I:

- 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 Town of Clinton'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Clinton's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the Schedule of the Town's Proportionate Share of Net Pension Liability, and Schedule of the Town's Contributions be presented to supplement the basic financial statements. Such 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. Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information. I have applied certain limited procedures to the budgetary comparison information, the Schedule of the Town's Proportionate Share of Net Pension Liability, and Schedule of the Town's Contributions 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Clinton, Louisiana's basic financial statements. The accompanying schedules listed as Other Supplemental Information in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of compensation paid to board members, schedule of compensation, benefits, and other payments to agency head, and the justice system funding schedule-collecting/disbursing entity were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 my opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated June 17, 2026, on my consideration of the Town of Clinton's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Clinton's internal control over financial reporting and compliance.

Minda Raybourn CPA
Franklinton, LA
June 17, 2026

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF CLINTON, LOUISIANA
STATEMENT OF NET POSITION
YEAR ENDED DECEMBER 31, 2025

ASSETS	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	$ 2,943,061	$ 173,105	$ 3,116,166
Investments	660,026	-	660,026
Receivables, net	445,067	78,434	523,501
Due from other funds	722,699	-	722,699
Prepaid expenses	33,533	12,635	46,168
Restricted assets:			
Cash and cash equivalents	386,910	26,006	412,916
Capital assets, net of depreciation	2,374,619	2,217,683	4,592,302
Right-to use leased assets, net of amortization	39,080	-	39,080
Total Assets	7,604,995	2,507,863	10,112,858
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	83,950	24,961	108,911
Total deferred outflows of resources	83,950	24,961	108,911
LIABILITIES			
Accounts payable	13,351	95,677	109,028
Retainage payable	-	16,166	16,166
Payroll related payables	106,103	-	106,103
Accrued benefits	15,802	-	15,802
Accrued wages	5,900	317	6,217
Compensated absences	2,077	320	2,397
Due to other funds	-	722,699	722,699
Payables from restricted assets:			
Customer deposits	-	24,425	24,425
Net pension liability	201,834	115,317	317,151
Total Liabilities	345,067	974,921	1,319,988
DEFERRED INFLOWS RESOURCES			
Pension related	32,836	25,167	58,003
	32,836	25,167	58,003
NET POSITION			
Net investment in capital assets	2,335,539	2,217,683	4,553,222
Restricted for:			
Customer deposits	-	1,581	1,581
Grant activity	-	-	-
Streets and sidewalks	386,910	-	386,910
Unrestricted	4,588,593	(686,528)	3,902,065
Total Net Position	$ 7,311,042	$ 1,532,736	$ 8,843,778

The accompanying notes are an integral part of the financial statements

TOWN OF CLINTON, LOUISIANA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net Revenues (Expenses)		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	$ 401,394	$ -	$ 5,269	$ 23,875	$ (372,250)	$ -	$ (372,250)
Public safety-Police	768,868	132,358	8,539	85,300	(542,671)	-	(542,671)
Public safety-Fire	14,181	-	-	-	(14,181)	-	(14,181)
Public Works	586,055	2,750	2,981	11,127	(569,197)	-	(569,197)
Total Governmental Activities	1,770,498	135,108	16,789	120,302	(1,498,299)	-	(1,498,299)
Business-type Activities							
Gas services	421,054	340,142	651	-	-	(80,261)	(80,261)
Sewer services	244,654	298,737	651	-	-	54,734	54,734
Total Business-type Activities	665,708	638,879	1,302	-	-	(25,527)	(25,527)
	-						
Total Primary Government	2,436,206	773,987	18,091	120,302	(1,498,299)	(25,527)	(1,523,826)
General Revenues and Transfers							
Licenses and permits					125,312		125,312
Franchise fees					117,643	-	117,643
Property taxes					1,448,870	-	1,448,870
Sales taxes					529,099	-	529,099
Other taxes					3,351	-	3,351
On-behalf payments					18,637	-	18,637
Interest earned					28,598	-	28,598
Gain/loss on disposal of asset					-	-	-
Other revenues					70,742	-	70,742
Transfers					31,700	(31,700)	-
Total General Revenues and Transfers					2,373,952	(31,700)	2,342,252
Change in Net Position					875,653	(57,227)	818,426
Net Position, beginning, as restated					6,435,389	1,589,963	8,025,352
Net Position, ending					$ 7,311,042	$ 1,532,736	$ 8,843,778

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

FUND FINANCIAL STATEMENTS

TOWN OF CLINTON, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Street and Sidewalks	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 2,943,061	$ -	$ 2,943,061
Investments	660,026	-	660,026
Receivables, net:			
Franchise fees	23,292	-	23,292
Property taxes	322,693	-	322,693
Sales taxes	37,115	61,108	98,223
Other	859		859
Due from other funds	694,660	28,039	722,699
Prepaid expenses	29,775	3,758	33,533
Restricted assets:			
Cash and cash equivalents		386,910	386,910
Investments		-	-
TOTAL ASSETS	4,711,481	479,815	5,191,296
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	9,699	3,652	13,351
Payroll liabilities	106,103	-	106,103
Accrued benefits	15,802	-	15,802
Accrued wages	4,817	1,083	5,900
Due to other funds	-	-	-
Total Liabilities	136,421	4,735	141,156
Deferred Inflows of Resources			
Property taxes	7,677	-	7,677
Total Deferred Inflows of Resources	7,677	-	7,677
Fund Balances			
Nonspendable	29,775	3,758	33,533
Assigned to:			
Public Safety	33,766	-	33,766
Committed for:			
Road repairs	1,500,000	-	1,500,000
Restricted for:			
Streets and sidewalks	-	471,322	471,322
Public safety	6,587	-	6,587
Unassigned	2,997,255	-	2,997,255
Total Fund Balances	4,567,383	475,080	5,042,463
TOTAL LIABILITIES AND FUND BALANCES	$ 4,711,481	$ 479,815	$ 5,191,296

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

TOWN OF CLINTON, LOUISIANA
BALANCE SHEET
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
DECEMBER 31, 2025

Total Fund Balances - Total Governmental Funds	$	5,042,463
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheets. This is the capital assets, nets of accumulated depreciation and amortization reported on the Statement of Net Position.		
Capital Assets, Net of Depreciation		2,374,619
Lease Assets, Net of Amortization		39,080
Some of the Town's ad valorem taxes will be collected after year-end but are not available soon enough to pay for the current period expenditure, and therefore, are deferred in the funds.		7,677
Long-term liabilities of governmental activities do not require the use of current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet. These are the long-term liabilities of the governmental activities:		
Lease Payable		-
Net Pension Liability		(201,834)
Compensated absences		(2,077)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.		
Deferred outflows of resources related to pensions		83,950
Deferred inflows of resources related to pensions		(32,836)
Total Net Position of Governmental Activities	$	7,311,042

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

TOWN OF CLINTON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General	Streets and Sidewalks	Total Governmental Funds
REVENUES			
Fines and other costs	$ 132,358	$ -	$ 132,358
Franchise fees	117,643	-	117,643
Interest	28,598	-	28,598
Intergovernmental revenues	18,637	-	18,637
Licenses and permits	125,312	-	125,312
Other revenues	70,742	2,750	73,492
Taxes - beer	3,351	-	3,351
Taxes - property	1,441,204	-	1,441,204
Taxes - sales	199,929	329,170	529,099
Total Revenues	2,137,774	331,920	2,469,694
EXPENDITURES			
General government	384,107	-	384,107
Public safety:			
Police	729,498	-	729,498
Fire	14,181	-	14,181
Public works		469,708	469,708
Debt Service:			
Lease Principal	-	51,828	51,828
Lease Interest	-	2,212	2,212
Principal	-	-	-
Interest	-	-	-
Capital outlay	148,254		148,254
Total Expenditures	1,276,040	523,748	1,799,788
Deficiency of Revenues over Expenditures Before Other Financing Sources (Uses)	861,734	(191,828)	669,906
OTHER FINANCING SOURCES (USES)			
Grants and other contributions	109,173	11,127	120,300
Proceeds from Lease	-		-
Sale of capital assets		-	-
Operating transfers, net	26,041	5,659	31,700
Net Other Financing Sources (Uses)	135,214	16,786	152,000
Change in Fund Balances	996,948	(175,042)	821,906
Fund Balances, beginning	3,570,435	650,122	4,220,557
Fund Balances, ending	$ 4,567,383	$ 475,080	$ 5,042,463

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

TOWN OF CLINTON, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVTIES
YEAR ENDED DECEMBER 31, 2025

Net Change in Fund Balances - Total Governmental Funds	
Amounts reported for governmental activities in the Statement of Activities are different because:	$ 821,906
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 as depreciation expense. This is the amount by which depreciation charged differed from capital outlay in the current period.	
Capital outlays recorded as expenditures in governmental funds	148,254
Depreciation not reported in governmental funds	(201,849)
Amortization not reported in governmental funds	(13,026)
Net book value of assets retired	-
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This represents the change in unavailable revenue-property taxes	7,667
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. This is the amount by which pension contributions charged differed from the actuarial cost of benefits.	45,882
Non employer contributions to cost sharing pension plan	16,791
Governmental funds report payments on long-term obligations as expenditures. However, in the Statement of Activities, these payments are recognized as decreases in the long-term debt. This is the change in long-term obligations during the year:	
Accrued compensated absences	(2,077)
Accrued Interest	278
Lease Payments	51,828
Proceeds from leases	
Change in Net Position of Governmental Activities	$ 875,653

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

TOWN OF CLINTON, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2025

ASSETS		Enterprise Funds Utility
Current Assets		
Cash and cash equivalents		$ 173,105
Receivables, net		78,434
Prepaid expenses		12,635
	Total Current Assets	264,174
Restricted Assets		
Cash and cash equivalents		26,006
	Total Restricted Assets	26,006
Capital Assets		
Land		11,970
Construction-in-progress		367,273
Buildings		150,546
Equipment		104,934
Vehicles		44,432
Gas system		2,030,894
Sewer system		4,000,428
Less: Accumulated depreciation		(4,492,794)
	Net Capital Assets	2,217,683
	Total Assets	2,507,863
DEFERRED OUTFLOWS OF RESOURCES		$ 24,961
LIABILITIES		
Current Liabilities		
Payable from current assets:		
Accounts Payable		$ 95,677
Retainage payable		16,166
Accrued wages		317
Compensated absences		320
Due to other funds		722,699
	Total Current Liabilities, Payable from Current Assets	835,179
Payable from restricted assets:		
Customer deposits		24,425
	Total Current Liabilities, Payable from Restricted Assets	24,425
	Total Current Liabilities	859,604
Long-term Liabilities		
Net pension liability		115,317
	Total Liabilities	974,921
DEFERRED INFLOWS OF RESOURCES		25,167
NET POSITION		
Net investment in capital assets		2,217,683
Restricted for customer deposits		1,581
Restricted for grant activity		-
Unrestricted		(686,528)
	Total Net Position	$ 1,532,736

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

TOWN OF CLINTON, LOUISIANA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2025

		Enterprise Funds
		Utility
OPERATING REVENUES		
Gas sales and service	$	335,155
Sewer sales and service		298,737
Intergovernmental		1,302
Late fees/penalties		4,987
Total Operating Revenues		640,181
OPERATING EXPENSES		
Cost of Gas Sold		170,226
Bad Debts		2,848
Depreciation		119,284
Employee Benefits		10,032
Insurance		35,633
Gas System Expense		16,375
Professional Fees		66,528
Waste Water System		12,248
Repairs and Maintenance		43,834
Salaries and Wages		52,106
Payroll Taxes		4,063
Supplies		51,662
Training		5,029
Vehicle Fuel		8,227
Utilities		50,085
Other		17,528
Total Operating Expenses		665,708
Operating Income (Loss)		(25,527)
NON-OPERATING REVENUES (EXPENSES)		
Grants and other contributions		-
Interest income		-
Other revenues		-
Operating transfers, net		(31,700)
Total Non-Operating Revenues (Expenses)		(31,700)
Change in Net Position		(57,227)
Total Net Position, beginning		1,589,963
Total Net Position, ending	$	1,532,736

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

TOWN OF CLINTON, LOUISIANA
STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2025

	Enterprise Funds Utility
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ 632,360
Cash received from meter deposits	(2,345)
Cash paid to employees for services	(53,109)
Cash paid to suppliers for goods and services	(416,783)
Net Cash Provided by (Used for) Operating Activities	160,123
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Payments made to/from other funds	(77,794)
Operating transfers	(31,700)
Net Cash Used for Non-Capital Financing Activities	(109,494)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITES	
Acquisition of capital assets	(15,532)
Cash received from grantors	-
Net Cash Used by Capital and Related Financing Activities	(15,532)
CASH FLOWS FROM INVESTING ACTIVITES	
Interest received	-
Net Cash Provided by Investing Activities	-
Increase/Decrease in Cash and Cash Equivalents	35,097
Cash and Cash Equivalents, beginning	164,014
Cash and Cash Equivalents, ending	199,111
CASH PRESENTATION OF STATEMENTS OF NET ASSETS:	
Current Assets: Cash and cash equivalents	173,105
Restricted Assets: Cash and cash equivalents	26,006
Cash and Cash Equivalents, end of year	$ 199,111

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

Continued

TOWN OF CLINTON, LOUISIANA
CHANGES IN FUND NET POSITION
STATEMENTS OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2025

		2025
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Operating income/(loss)	$	(25,527)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:		
Depreciation		119,284
(Increase) decrease in assets:		
Accounts receivable		2,221
Grants receivable		-
Prepaid expenses		(1,636)
Increase (decrease) in liabilities:		
Accounts payable		67,332
Accrued wages		(1,323)
Compensated absences		320
Retainage payable		16,166
Due to/from other funds		(4,665)
Deferred Inflows-Outflows-Pensions		(2,581)
Customer deposits		(2,345)
Net pension liability and related resources		(7,123)
Net Cash Provided by (Used for) Operating Activities	$	160,123

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

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

The Town of Clinton, Louisiana (hereafter referred to as the Town) was incorporated on March 9, 1852, under the provisions of the Special Charter Act 120 of 1852. The Town operates under a Mayor-Board of Alderperson form of government. The charter was amended in 1996 to allow larger fines to be assessed by the Mayor's Court. It was also amended in 2003 to recognize duties and authority within the Police Department where the charter previously recognized a Town Marshal. This was done to be consistent with the creation of a Police Department in 1993.

The citizens of the Town elect the Mayor and five Alderpersons at large every four years. They are compensated for their services.

The purpose of the municipality is to promote the general welfare and the safety, health, peace, good order, comfort, convenience and morals of its inhabitants. The Town provides fire and police protection, street maintenance, gas and sewer services.

The Town is situated in the northwest part of East Feliciana Parish. It is approximately 2.0 square miles in size with a population of approximately 1,340 persons. Within the boundaries are approximately 15 miles of roads maintained by the Town. It is currently servicing about approximately 411 gas and 695 sewer customers through its utility department and employs approximately 21 persons, excluding the mayor and board members.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practice of the Town conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guidelines set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units.*

The following is a summary of certain significant accounting policies:

Financial Reporting Entity: Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the Town includes all funds which are controlled by or dependent on the Town which was determined on the basis of oversight responsibility, including accountability for fiscal and budget matters, designation of management or governing authority and authority to issue debt. Certain units of local government over which the Town exercises no oversight responsibility, such as the parish police jury, parish school board, and other independently elected officials, and other municipalities within the parish, are excluded from the accompanying financial statements.

These units of government are considered separate reporting entities and issue financial statements separate from those of the Town.

Government-Wide Accounting: In accordance with the Statement No. 63 of the Government Accounting Standards Board, the Town has presented a statement of net position and statement of activities for the Town as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Government-wide statements distinguish between governmental-type and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

Policies specific to the government-wide statements are as follows:

Eliminating Internal Activity

Inter-fund receivables and payables are eliminated in the statement of net position except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses from one function to another or within the same function is eliminated in the statement of activities. Allocated expenses are reported by the function to which they were allocated.

Capitalizing Assets

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the statement of net position. Depreciation of contributed assets of proprietary funds is charged against contributed capital as opposed to unrestricted net position.

Under the requirements of GASB Statement No. 34, the Town is considered a Phase 3 government, as its total annual revenues were less than $10 million. Such governments were not required to report major general infrastructure assets retroactively back to 1982, during implementation of Statement No. 34. The Town opted not to retroactively report these types of capital assets.

Program Revenues

The statement of activities presents three categories of program revenues - (l) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the Town. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are restricted for a specific use.

Direct/Indirect Expenses

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the Town has chosen not to do so.

Operating Revenues

Proprietary funds separately report operating and non-operating revenues. Revenues from transactions of the Town's operation of providing gas and sewer services are considered operating revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing, are reported as non-operating revenues.

Restricted Net Position

Restricted net position are those for which a constraint has been imposed either externally or by law. The Town recognizes the use of restricted resources for expenditures that comply with the specific restrictions. Restricted resources are exhausted before unrestricted net position are used.

Fund Accounting: The Town uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate entity with a self-balancing set of accounts. Funds of the Town are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds: Governmental funds account for all or most of the Town's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental Funds include:

1. General Fund - the general operating fund of the Town accounting for all financial resources, except those required to be accounted for in other funds.

2. Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Proprietary Funds: Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator.

Proprietary funds include:

1. Enterprise Funds - account for operations (a) 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.

Basis of Accounting/Measurement Focus: Its type of financial statement presentation determines the accounting and financial reporting treatment applied to a fund.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental-type and business-type activities are included in the Statement of Net Position. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. Non-exchange transactions such as property taxes and grants are recognized in the year for which the taxes were levied or when the eligibility requirements are met. In these statements, capital assets are reported and depreciated in each fund.

This same measurement focus and basis of accounting is used by proprietary funds in the fund statements. However, all governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Revenues are recognized when measurable and available, and expenditures are recorded when the related fund liability is incurred. An exception is unmatured principal and interest on general long-term debt which is recognized when due. The Town considers all revenues available if they are collected within sixty days after year-end. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated.

Budgets and Budgetary Accounting: The Town adopts an annual budget for all of its funds prepared in accordance with the basis of accounting utilized by that fund. The Board of Alderpersons must approve any revisions that alter the total expenditures and are passed on an as-needed basis. A balanced budget is required.

Cash and Cash Equivalents: Cash includes amounts in demand deposits, interest bearing demand deposits and certificates of deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of ninety days or less. Under state law, the Town may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Investments: Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed ninety days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings.

Prepaid Expenses: Prepaid expenses include premiums paid on insurance policies for terms that extend beyond year-end.

Restricted Assets: Certain cash and investments are classified as restricted because law or donor restriction limits their use.

Capital Assets: The Town's assets are recorded at historical cost. Contributed assets, if any, are reported at estimated fair value at the time of the donation. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

Buildings	40 years	Vehicles	7-10 years
Equipment	4-10 years	Infrastructure	20-50 years
Office furniture	5-7 years		

The Town's capitalization policy includes adding all assets with a value of $5,000 or more. However, assets that are less in value may be capitalized if use will benefit more than one period and tracking is desired such as is the case with weapons or radio equipment.

Compensated Absences: Employees of the Town earn annual leave at varying rates according to years of service. Effective for the year ending December 31, 2025, accrued leave earned by an employee is not carried forward to the succeeding calendar year. Beginning January 1, 2024, sick leave will be granted on a calendar year basis. Sick leave is 10 days per year and is non-cumulative except when funding hours for major medical leave. Funding for major medical leave is to be granted upon approval of the Mayor. Any sick leave is provided in a calendar year that is not utilized by an employee may be banked up to 120 hours, which then can only be utilized for major medical leave. Vacation leave is non-cumulative. All fulltime hourly employees shall be eligible for vacation after one-year of service with the Town. Unused vacation days are paid at the employee's current rate of pay upon termination or resignation. Vacation leave is granted depending on the length of the employment with the Town: 1) 1-2 years employment – 5 days; 2) 3-5 years employment – 10 days; and 3) Over 5 years of employment – 15 days.

Long-Term Obligations: In the government-wide financial statements, debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the statement of net position. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

Equity Classifications:

<u>Government-wide Statements:</u>

In the statement of net position, the difference between a government's assets, deferred outflows of resources, liabilities and deferred inflows of resources is recorded as net position. The three components of net position are as follows:

Net Investment in Capital Assets

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. These are usually restricted by external sources such as banks or by law.

Unrestricted

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Fund Financial Statements:

In the balance sheet of governmental funds, fund balances are segregated as follows:

Non-spendable

This includes amounts in permanent funds and inventories that are permanently precluded from conversion to cash.

Restricted

Fund balances that are restricted include those resources constrained to a specific purpose by enabling legislation, external parties or constitutional provisions.

Committed

Fund balances may be committed for a specific purpose by the highest level of decision-making authority through a formal action such as the adoption of an ordinance. The removal of or change in this commitment can only be accomplished by the same level of authority through the same type of action taken to commit the fund balances initially.

Assigned

Resources earmarked for a. specific purpose by a government's management are reported as assigned fund balances.

Unassigned

This category represents that portion of equity that are available for any purpose.

Inter-fund Transactions: All inter-fund transactions, except quasi-external transactions, are reported as operating transfers. These are eliminated in the government-wide statements.

Sales Taxes: The Town receives 7.5327% of a one percent East Feliciana Parish sales tax collected on sales occurring within the Parish boundaries. These proceeds are available for any lawful purpose for operating the Town. The Town recognized $199,929 of sales tax revenue during the year ended December 31, 2025.

The Town receives 12.4021% of a one percent East Feliciana Parish sales tax collected on sales occurring within the Parish boundaries. The proceeds are restricted to the street maintenance and repairs for the Town. The Town recognized $329,170 of sales tax revenue during the year ended December 31, 2025.

Property Taxes: Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. During the current year, taxes were levied in May and billed to taxpayers in October. Billed taxes are due by December 31 and become delinquent on January 1 of the following year. Ad valorem taxes authorized and levied for the year were 6.61 mills. These funds are received by the general fund and are not dedicated. Total assessed value of property within the Town is approximately $219,842,343. The total assessed value of the property taxes was $1,453,158. The Town recognized $1,448,870 in property taxes for the year ended December 31, 2025.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - CASH AND CASH EQUIVALENTS

The cash and cash equivalents on hand (book balances) at December 31, 2025, are as follows:

	Governmental Activities	Business-type Activities	Total Cash & Investments
Demand Deposits	$ 3,329,971	$ 199,111	$ 3,529,082
Certificate of Deposit	660,026	-	660,026
Total	$ 3,989,997	$ 199,111	$ 4,189,108

These deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2025, the Town had $4,279,162 in deposits (collected balances). The Town has accounts at two banks. The collected balances were: 1) Landmark Bank, $4,104,889 and 2) Feliciana Bank and Trust, $174,273. These funds at Landmark Bank are secured through the Federal Deposit Insurance Corporation (FDIC) and collateral pledged by the bank. Feliciana Bank and Trust funds are secured through coverage through the FDIC.

NOTE 3 - RECEIVABLES

The following is a summary of receivables at December 31, 2025:

Class	General Fund	Special Revenue Fund	Enterprise Fund	Total
Accounts	$ -	$ -	$ 133,269	$ 133,269
Taxes:				
Franchise	23,292	-	-	23,292
Beer tax	859	-	-	859
Property	322,693	-	-	322,693
Sales	37,115	61,108	-	98,223
Sub-total	383,959	61,108	-	445,067
Less: Allowance for doubtful	-	-	(54,835)	(54,835)
Net	383,959	61,108	78,434	523,501

Utility meters are read between the 18th and 25th of each month and bills are computed and mailed by the last day of the month. The amount of gas used from the date the meter is read until the end of the month is an unbilled receivable in the Enterprise Fund. At December 31, 2025, unbilled receivables were $6,201. This amount is included in the table above.

An allowance for doubtful accounts is determined by a percentage based on prior years' experience. At December 31, 2025, the allowance was estimated to be $54,835 in the Enterprise Fund.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for governmental funds for the year ended December 31, 2025, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Governmental Activities				
Capital Assets, not being depreciated				
Land	$ 1,000	$ -	$ -	$ 1,000
Capital Assets, being depreciated				
Buildings and improvements	1,018,549	-	-	1,018,549
Less: accumulated depreciation	478,838	28,772	-	507,610
Net Building and Improvements	539,711	(28,772)	-	510,939
Infrastructure	3,127,494		-	3,127,494
Less: accumulated depreciation	1,473,023	107,376	-	1,580,399
Net Sidewalks/Drainage	1,654,471	(107,376)	-	1,547,095
Equipment	414,814	87,194	-	502,008
Less: accumulated depreciation	367,530	13,072	-	380,602
Net Equipment	47,284	74,122	-	121,406
Vehicles	624,276	61,060		685,336
Less: accumulated depreciation	439,111	52,226		491,337
Net Vehicles	185,165	8,834	-	193,999
Office furniture	10,830	-	-	10,830
Less: accumulated depreciation	10,249	401	-	10,650
Net Office furniture	581	(401)	-	180
Total Capital Assets, being depreciated, net	2,427,212	(53,593)	-	2,373,619
				-
Capital Assets, net	$ 2,428,212	$ (53,593)	$ -	$ 2,374,619
Lease Assets				
Equipment	55,828	-	-	55,828
Less accumulated amortization	3,722	13,026	-	16,748
Total lease assets being amortized, net	$ 52,106	$ (13,026)	$ -	$ 39,080

Depreciation and amortization expense was charged to governmental functions as follows:

General government	$ 40,090
Public Safety	50,832
Public Works	123,953
Total	$ 214,875

Capital asset activity for enterprise funds for the year ended December 31, 2025, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Business Activities				-
Capital Assets, not being depreciated				-
Land	$ 11,970	$ -	$ -	11,970
				-
Construction-in-progress				
	-	367,273		367,273
Capital Assets, being deprecated				-
Buildings and improvements	150,548	-	-	150,548
Less: accumulated depreciation	124,733	5,576	-	130,309
Net Building and Improvements	25,815	(5,576)	-	20,239
				-
Equipment	104,933	-	-	104,933
Less: accumulated depreciation	104,933		-	104,933
Net Equipment	-	-	-	-
Vehicles	44,431	-	-	44,431
Less: accumulated depreciation	40,446	2,990	-	43,436
Net Vehicles	3,985	(2,990)	-	995
Gas system	2,029,652	-	-	2,029,652
Less: accumulated depreciation	1,573,637	60,733	-	1,634,370
Net Gas system	456,015	(60,733)	-	395,282
Sewer system	3,992,784	8,890	-	4,001,674
Less: accumulated depreciation	2,529,765	49,985	-	2,579,750
Net Sewer system	1,463,019	(41,095)	-	1,421,924
				-
Total Capital Assets, being depreciated, net	1,948,834	(110,394)	-	1,838,440
				-
Capital Assets, net	$ 1,960,804	$ 256,879	$ -	$ 2,217,683

Depreciation expense was charged to enterprise functions as follows:

Gas	$ 65,016
Sewer	54,268
Total	$ 119,284

In the governmental fund activities, the Town purchased two vehicles for $61,060, purchased police equipment for $38,854, and a mini excavator for $48,340. In the enterprise fund, the Town had wastewater improvements of $367,273 and purchased a pump for $8,890.

NOTE 5 – INTER-FUND TRANSACTIONS

Amounts receivables and payable between funds at December 31, 2025, are as follows:

	Receivable	Payable
General Fund		
Sales tax fund	$ -	$ -
Enterprise fund	694,660	-
Special Revenue Fund		
General fund	-	-
Enterprise fund	28,039	-
Enterprise Fund		
General fund	-	(694,660)
Sales tax fund	-	(28,039)
Total	$ 722,699	$ (722,699)

The following transfers between funds occurred at December 31, 2025, are as follows:

	Transfer From	Transfer To
General Fund		
Sales tax fund	$ 20,059	$ (5,129)
Enterprise fund	12,179	(1,068)
Special Revenue Fund		
General fund	5,129	(20,059)
Enterprise fund	21,013	(424)
Enterprise Fund		
General fund	1,068	(12,179)
Sales tax fund	424	(21,013)
Total	$ 59,872	$ (59,872)

NOTE 6 – RESTRICTED ACCOUNTS

The following is a listing of the restricted assets for the fund financial statements on December 31, 2025:

	Governmental Activities	Business-type Activities
Demand deposits		
Customer deposits	$ -	$ 26,006
Sales tax fund	386,910	-
	$ 386,910	$ 26,006

NOTE 7 - ACCOUNTS AND OTHER PAYABLES

The following is a summary of payables at December 31, 2025:

	General Fund	Sales Tax Fund	Enterprise Fund	Total
Accounts	$ 9,699	$ 3,652	$ 95,677	$ 109,028
Retainage payable	-	-	16,166	16,166
Payroll liabilities	106,103	-	-	106,103
Unearned revenues	-	-	-	-
Accrued benefits	15,802	-	-	15,802
Accrued wages	4,817	1,083	317	6,217
Accrued leave	2,077	-	320	2,397
Customer deposits	-	-	24,425	24,425
Total	$ 138,498	$ 4,735	$ 136,905	$ 280,138

NOTE 8 – LONG TERM OBLIGATIONS

In 2024, the Town entered into a lease agreement for the finance purchase of a Komatsu PC55M4-5 excavator. The total cost was $55,828 payable monthly at $3,280 per month payable over 18 months. The discounted lease rate is 8%. During the year ending December 31, 2025, the lease was paid in full. As disclosed in note 8, the asset is recorded at a cost of $55,828 with accumulated amortization of $16,748.

The following is a summary of the long-term obligation transactions during the year:

	Lease Payable	Total Long-Term Obligations
Beginning Balance	$ 43,708	$ 43,708
Additions	-	-
Deletions	(43,708)	(43,708)
Ending Balance	$ -	$ -

The lease expense for the year ended December 31, 2025 is as follows:

Amortization expense by class of underlying asset	
Equipment	$ 13,026
Total amortization expense	13,026
Interest on lease liabilities	1,934
Total amortization expense	$ 14,960

NOTE 9 - RETIREMENT SYSTEM

Substantially all employees of the Town are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana or Municipal Police Employees Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees.

The Town implemented Governmental Accounting Standards Board (GASB) Statement 68 on *Accounting and Financial Reporting for Pensions* and Statement 71 on *Pension Transition for Contributions Made Subsequent to the Measurement Date* –an amendment of GASB 68. These standards require the Town to record its proportional share of each of the pension plans' net pension liability and report the following disclosures:

A. Municipal Employee Retirement System of Louisiana (System)

Plan Description. The System was established and provided for by R.S. 11:1731 of the Louisiana Revised Statutes (LRS). The System provides retirement benefits to employees of all incorporated villages, towns, and cities within the State which do not have their own retirement system and which elect to become members of the system.

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the System with exceptions as outlined in the statutes.

Any person eligible for membership whose first employment making him eligible for membership in the System occurred on or after January 1, 2013 shall become a member of the MERS Plan A Tier 2 or MERS Plan B Tier 2 of the System as a condition of employment.

The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B.

Retirement Benefits:
Benefit provisions are authorized within Act 356 of the 1954 regular session and amended by LRS 11:1756-11:1785. The following brief description is of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Any member of Plan B who commenced participation in the System prior to January 1, 2013 can retire providing he meets one of the following criteria:

1. Any age with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) or more years of creditable service.

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the member's monthly average final compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Any member of Plan B Tier 2 shall be eligible for retirement if he meets one of the following requirements:

1. Age 67 with seven (7) years of creditable service.
2. Age 62 with ten (10) years of creditable service.
3. Age 55 with thirty (30) years of creditable service.
4. Any age with twenty-five (25) years of service credit, exclusive of military service and unused annual sick leave.

The monthly amount of the retirement allowance for any member of Plan B Tier 2 shall consist of an amount equal to two percent of the member's final compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits:
Upon death of any member of Plan B with five (5) or more years of creditable service, not eligible for normal retirement, the plan provides for benefits for the surviving spouse as outlined in the statutes.

Any member of Plan B who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

DROP Benefits:
In lieu of terminating employment and accepting a service retirement allowance, any member of Plan A or B who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. If a participant dies during the participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in the System.

Disability Benefits:
For Plan B, a member shall be eligible to retire and receive a disability benefit if he has at least ten years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of (1) an amount equal to two percent of his final compensation multiplied by his years of creditable service, but no less than thirty percent of his final compensation, or (2) an amount equal to what the member's normal retirement benefit would be based on the member's current final compensation, but assuming the member remained in continuous service until his earliest normal retirement age and using those retirement benefit computation factors which would be applicable to the member's normal retirement.

Cost of Living Increases:
The System is authorized under state law to grant a cost-of-living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant an additional cost of living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

Deferred Benefits:
Both plans provide for deferred benefits for members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement; benefits become payable. Benefits are based on statutes in effect at time of withdrawal.

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

Funding Policy. Under Plan B, members are required by state statute to contribute five percent of their annual covered salary and the Town of Clinton is required to contribute at an actuarially determined rate. The current rate is 13.5 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans) of the taxes shown to be collectible by the tax rolls of each parish. Tax monies are apportioned between Plan A and Plan B in proportion to salaries of plan participants. Tax monies received from East Baton Rouge Parish are apportioned between the Municipal Employees' Retirement System and the Employees' Retirement System of the City of Baton Rouge. The System also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income are used as additional employer contributions and considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2025. During the year ending December 31, 2025, the Town recognized revenue as a result of support received from non-employer contributing entities of $9,552 for its participation in MERS-Plan B.

The Town of Clinton contributions to the System under Plan B for the years ending December 31, 2025 and 2024 were $36,408, and $35,717 respectively. For 2025 and 2024, the actual contributions were equal to the required contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At December 31, 2025, the Town reported a liability of $118,318 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contribution of all participating, actuarially determined. At June 30, 2025, the Town's proportion was 0.2747479%, which was a decrease of 0.033632%, from its proportion measured as of June 30, 2024.

For the year ended December 31, 2025, the Town recognized pension expense for the MERS System of ($1,985).

At December 31, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to the MERS pension system from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (1,651)
Changes of Assumptions	-	(2,795)
Net difference between projected and actual earnings on pension plan investments	-	(4,274)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	3,212	(10,203)
Employer contributions subsequent to the measurement date	19,080	-
Total	$ 22,292	$ (18,923)

The Town reported a total of $19,080 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2025 which will be recognized as a reduction in net pension liability in the year ended December 31, 2026.

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

Year	
2026	$ 11,468
2027	(7,460)
2028	(5,851)
2029	(2,463)
	$ (4,306)

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2024 is as follows:

Valuation Date	June 30, 2025
Actuarial Cost Method	Entry Age Normal

Actuarial Assumptions:

Expected Remaining Service Lives	3 years (Plan B)
Investment Rate of Return	6.85%, net of investment expense
Inflation Rate	2.5%
Salary Increases, including Inflation and merit increases:	
-1-2 years of service	9.0%
-More than 2 years of service	4.4%
Annuitant and beneficiary mortality	PubG-2010 (B) Healthy Retiree Table set equal to 115% for males and females, Each adjusted using their respective male and female MP2021scales.
Employee mortality	PubG-2010 (B) Employee Table set equal to 115% for males and females, Each adjusted using their respective male and female MP2021 scales.
Disabled lives mortality	PubG-2010 (B) Disabled Retiree Table set equal to 115% for males and females, Each adjusted using their respective male and female MP2021 scales.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

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

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public Equity	53%	2.31%
Public Fixed Income	29%	1.26%
Alternatives	18%	0.78%
Totals	100%	4.35%
Inflation		2.50%
Expected Arithmetic Nominal Rate		6.85%

The discount rate used to measure the total pension liability was 6.85%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are proved with benefits through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. The effect on net pension liability of differences between the projected earning on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the participating employers calculated using the discount rate of 6.85%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2025:

	1% Decrease	Current Discount Rate	1% Increase
Rates	5.850%	6.850%	7.850%
Town of Clinton Share of NPL	$ 204,097	$ 118,318	$ 45,801

B. Municipal Police Employees Retirement System of Louisiana (System)

Plan Description. The Municipal Police Employees' Retirement System (System) is a cost-sharing multiple-employer defined benefit pension plan established by Act 189 of 1973 to provide retirement, disability, and survivor benefits to municipal police officers in Louisiana.

Membership is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrest, providing he does not have to pay social security and providing he meets the statutory criteria.

<u>Retirement Benefits:</u>
Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

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

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

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent of the member's average final compensation or $200 per month, whichever is greater.

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

Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statues, the benefits range from twenty-five to fifty-five percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives ten percent of average final compensation or $200 per month whichever is greater. If deceased member had less than ten years of service, beneficiary will receive a refund of employee contributions only.

Cost of Living Adjustments:
The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.

No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost-of-living adjustment until they reach regular retirement age.

Deferred Retirement Option Plan:
A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is thirty-six months or less. If employment is terminated after the three-year period the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004,

DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account. If the member elects a money market investment return, the funds are transferred to a government money market account.

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

The System issues an annual publicly available financial report that includes financial statements and required supplemental information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225) 929-7411 or at www.lampers.org.

Funding Policy. According to state statute, the Town of Clinton is required to contribute at an actuarially determined rate but cannot be less than 9% of the employee's earnable compensation excluding overtime but including state supplemental pay. For the year ended December 31, 2025, total contributions due for employers and employees were 43.475% (Hazardous Duty members) and 41.475% (Nonhazardous Duty members). The employer and employee contribution rates for members hired prior to January 1, 2013 and Hazardous Duty members hired after January 1, 2013 were 33.475% and 10.00%, respectively. The employer and employee contribution rates for all Non-Hazardous Duty members hired after January 1, 2013 were 33.475% and 8%, respectively.

The System also receives insurance premium tax monies as additional employer contributions and considered support from a non-contributing entity. This tax is appropriated by the legislature each year based on an actuarial study. This additional source of income is used as additional employer contributions and considered support from non-employer contributing entities, but is not considered a special funding situation. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2024. During the year ending December 31, 2025, the Town recognized revenue as a result of support received from non-employer contributing entities of $8,539 for its participation in MPERS.

The Town of Clinton contributions to the System for the years ending December 31, 2025 and 2024 were $57,259 and $31,078 respectively. The contributions for 2025 and 2024 were equal to the required contributions for the year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At December 31, 2025, the Town reported a liability of $198,833 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contribution of all participating, actuarially determined. At June 30, 2025, the Town's proportion was 0.028791% which was an increase of 0.007106% from its proportion measured as of June 30, 2024.

For the year ended December 31, 2025, the Town recognized pension expense for the MPERS System of $45,444 representing its proportionate share of the System's net expense, including amortization of deferred amounts.

At December 31, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to the MPERS pension system from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 9,641	$ (5,260)
Changes of Assumptions	-	(9,132)
Net difference between projected and actual earnings on pension plan investments	-	(15,662)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	48,682	(9,027)
Employer contributions subsequent to the measurement date	28,296	-
Total	$ 86,619	$ (39,081)

The Town reported a total of $28,296 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2025 which will be recognized as a reduction in net pension liability in the year ended December 31, 2026.

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

Year	
2026	$ 29,992
2027	(6,776)
2028	2,010
2029	(6,559)
	$ 18,667

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2024 is as follows:

Valuation Date	June 30, 2025
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.750%, net of investment expense
Expected Remaining Service Lives	4 years
Inflation Rate	2.50%

	Years of Service	Salary Growth Rate
Salary increases, including inflation & merit	1-2	13.00%
	Above 2	4.75%

Mortality	For annuitants and beneficiaries, the Pub-2016 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 125% for males and 125% for females, each with full generational projection using the MP2021 sale was used. For disabled retirees, the Pub-2016 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 125% for males and 125% for females, each with full generational projection using the MP2021 sale was used. For active members, the Pub-2016 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 125% for males and 125% for females, each with full generational projection using the MP2021 sale was used.
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2014 through June 30, 2024 and review of similar law enforcement mortality. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables.

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

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Equity	51.00%	3.20%
Fixed Income	35.00%	1.21%
Alternatives	14.00%	1.04%
Other	0.00%	0.00%
Totals	100.00%	5.45%
Inflation		2.67%
Expected Arithmetic Nominal Rate		8.12%

The discount rate used to measure the total pension liability was 6.750%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the participating employers calculated using the discount rate of 6.750%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2025:

	1% Decrease	Current Discount Rate	1% Increase
Rates	5.750%	6.750%	7.750%
Town of Clinton Share of NPL	$ 326,154	$ 198,833	$ 92,207

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS

The Town does not offer post-employment benefits to employees upon termination.

NOTE 11 – FUND BALANCES AND NET POSITION

As of December 31, 2025, the general fund had nonspendable fund balance of $29,775 due to prepaid insurance. The amount of restricted fund balance in the general fund is $6,587 due to the narcotics fund. The amount assigned for the special court account was $33,766. The amount committed for road repairs is $1,500,000. The unassigned fund balance in the general fund is $2,997,255. The sales tax fund, a special revenue fund, had a fund balance that is nonspendable due to prepaid insurance in the amount of 3,758 and restricted for streets and sidewalks for $471,322.

The enterprise fund had restricted net position related to customer deposits of $1,581. The enterprise fund had unrestricted net position of ($686,528). The amount of net position in capital assets is $2,217,683. The unrestricted net position is negative mainly due to the effects of the GASB 68 pension accounting standards and in addition to the funds due to the general fund. To reduce the negative net position, the Town plans to reduce expenditures and realign operations to run more efficiently and economically and restore the funds back to the general fund.

NOTE 12 – PRIOR PERIOD ADJUSTMENT

The governmental activities and business-type activities were restated for December 31, 2024 for adjustments for interfund accounts. This was to make corrections between the general fund and enterprise fund. The net effect is as follows:

	Governmental Activities	Business-type Activities	Total
Net Position	$ 6,515,228	$ 1,458,148	$ 7,973,376
Adjustment for due to/from	(79,839)	131,815	51,976
Net position restated	$ 6,435,389	$ 1,589,963	$ 8,025,352

NOTE 13 - RELATED PARTY TRANSACTIONS

There are no related party transactions that require disclosure.

NOTE 14 - LITIGATION AND CLAIMS

The Town of Clinton is subject to claims and legal proceedings that arise in the ordinary course of operations. In accordance with applicable accounting principles for local governments, liabilities for claims and judgments are accrued when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. Loss contingencies are disclosed when there is at least a reasonable possibility that a loss has been incurred and the amount or range of loss can be estimated, or when no estimate can be made.

For the fiscal year ended December 31, 2025, management is not aware of any material pending or threatened litigation, claims, or contingencies against the Town of Clinton that require accrual or disclosure in the financial statements.

NOTE 15 – ON-BEHALF PAYMENTS

For the fiscal year ended December 31, 2025, the State of Louisiana made on-behalf payments in the form of supplemental pay to the Town's policemen. In accordance with GASB 24, the Town recorded $18,637 of on-behalf payments as revenue and as an expenditure in the General Fund.

NOTE 16 – TRANSFER OF WATER SYSTEM

On February 11, 2020, the Town of Clinton entered into conveyance agreement with the East Feliciana Rural Water System, Inc. (a Louisiana nonprofit organization) to transfer the town's water system assets.

As part of the agreement, the Town would transfer and assign to the East Feliciana Rural Water System the following:
1) The water distribution system, towers, pumps, mains, pipe services, valves, meters, and all associated equipment, buildings and improvements, and fixtures.
2) A lot situated in the town and designated as "Town of Clinton Water Tower Site 0.9504AC".
3) Two lots including the improvements designated as Lot 1 and Lot 12 in the Pine Ridge Subdivision.
4) A certain street and turnaround in the Pine Ridge Subdivision.
5) Easements, servitudes, rights of ingress and egress, permits and any and all rights in connection with the operating of the water destruction system for each public water supply.
6) Customer deposits held by the Town for customers connected to the public water supply.
7) All corporate records, including customer records, lists and files pertaining to the customers, property, and operations of the public water supply.
8) All existing services on each public water supply, whether active or not, connected to or available for services from the Town.
9) The Rural Water System will follow disconnect procedures for any customer acquired that is past due on their final bill for the town and will remit to the Town any amount collects on the final bill.
10) The Rural Water System agrees to assume and honor any written agreements in place at the time of execution between the town and any customer for payment on arrearages.

The Rural Water System will bill and collect all sums for due for water and sewer usage as of the final meter reading by the Town on the date prior to closing. Commencing on the first billing cycle, after the transfer, all payments shall be received by the Rural Water System, any delinquent amounts collected by the Rural Water System for water usage prior to the transfer will be remitted to the Town. No exchange of funds occurred. The final water revenues to the Town were paid in fill in 2020.

Sewer charges for the fiscal year ended December 31, 2025 were $298,737. Total sewer customer payments remitted to the Town were $298,775.

NOTE 17 - SUBSEQUENT EVENTS

There were no events subsequent to year-end through the date June 17, 2026 on which the accompanying financial statements were available, that would have a significant impact on the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF CLINTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL AND SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2025

	General Fund				Streets and Sidewalks			
	Budgeted Amounts		Actual	Variance Favorable	Budgeted Amounts		Actual	Variance Favorable
REVENUES			Amounts	(Unfavorable)	Original	Final	Amounts	(Unfavorable)
Fines and other court costs	$ 168,882	$ 131,465	$ 132,358	$ 893	$ -	$ -	$ -	$ -
Franchise fees	128,151	140,496	117,643	(22,853)	-	-	-	-
Interest earned	16,503	13,908	28,598	14,690	-	-	-	-
Intergovernmental	-		18,637	18,637	-	-	-	-
Licenses and permits	108,231	93,113	125,312	32,199	-	-	-	-
Other revenues	117,069	87,003	70,742	(16,261)	-	-	2,750	2,750
Taxes-beer	2,892	3,296	3,351	55	-	-	-	-
Taxes-property	1,450,292	1,248,863	1,441,204	192,341	-	-	-	-
Taxes-sales	174,718	195,903	199,929	4,026	323,290	325,292	329,170	3,878
Total Revenues	2,166,738	1,914,047	2,137,774	223,727	323,290	325,292	331,920	6,628
EXPENDITURES								
General government	349,515	360,076	384,107	(24,031)	-	-	-	-
Public safety:								
Police	563,645	772,351	729,498	42,853	-	-	-	-
Fire	14,412	13,798	14,181	(383)	-	-	-	-
Public works	-	-	-	-	541,516	469,295	469,708	(413)
Debt service	-	-	-	-		19,680	54,040	(34,360)
Capital outlay	18,595	66,935	148,254	(81,319)				-
Total Expenditures	$ 946,167	1,213,160	$ 1,276,040	$ (62,880)	$ 541,516	$ 488,975	$ 523,748	$ (34,773)

See Independent Auditor's Report

Continued

TOWN OF CLINTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE (Continued)
GENERAL AND SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2025

	General Fund				Streets and Sidewalks			
	Budgeted Amounts			Variance	Budgeted Amounts			Variance
	Original	Final	Actual Amounts	Favorable (Unfavorable)	Original	Final	Actual Amounts	Favorable (Unfavorable)
Excess of Revenues over Expenditures Before Other Financing Sources (Uses)	$ 1,220,571	$ 700,887	$ 861,734	$ 160,847	$ (218,226)	$ (163,683)	$ (191,828)	$ (28,145)
OTHER FINANCING SOURCES (USES)								
Grants and other contributions	-	-	109,173	109,173	-	-	11,127	11,127
Proceeds from lease			-		-	-		-
Sale of capital assets	-	-	-	-	-	-	-	-
Operating transfers, net		-	26,041	26,041	-	-	5,659	5,659
Net Other Financing Sources (Uses)	-	-	135,214	135,214	-	-	16,786	16,786
Change in Fund Balances	1,220,571	700,887	996,948	296,061	(218,226)	(163,683)	(175,042)	(11,359)
Fund Balances, beginning	3,570,435	3,570,435	3,570,435	-	650,122	650,122	650,122	-
Fund Balances, ending	4,791,006	4,271,322	4,567,383	296,061	431,896	486,439	475,080	(11,359)

See Independent Auditor's Report

Town of Clinton
Schedule of the Town's Proportionate Share of the Net Pension Liability - MPERS
Last 10 Fiscal Years*

Municipal Police Employees' Retirement System

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Employer's Proportion of the Net Pension Liability (Assets)	0.038612%	0.036825%	0.039351%	0.034297%	0.021482%	0.015248%	0.022388%	0.023807%	0.021685%	0.028791%
Employer's Proportionate Share of the Net Pension Liability (Asset)	$ 361,903	$ 321,498	$ 332,676	$ 311,474	$ 198,544	$ 81,280	$ 228,845	$ 251,520	$ 196,465	$ 198,833
Employer's Covered-Employee Payroll	$ 94,798	$ 116,919	$ 109,282	$ 100,521	$ 68,680	$ 46,519	$ 69,115	$ 74,342	$ 76,445	$ 107,932
Employer's Proportionate Share of the Net Position Liability (Asset) as a Percentage of its Covered-Employee Payroll	381.7623%	274.9750%	304.4187%	309.8596%	289.0860%	174.7254%	331.1059%	338.3304%	257.0013%	184.2211%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.7300%	70.0815%	71.8871%	71.0078%	70.9450%	84.0881%	70.7991%	71.3030%	75.8402%	81.9406%

* The amounts presented for each fiscal year were determined as of 6/30 within the fiscal year.

Town of Clinton
Schedule of the Town's Proportionate Share of the Net Pension Liability - MERS Plan B
Last 10 Fiscal Years*

Municipal Employees' Retirement System

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Employer's Proportion of the Net Pension Liability (Assets)	0.525980%	0.516852%	0.502858%	0.446652%	0.356750%	0.337573%	0.312444%	0.249129%	0.281111%	0.247479%
Employer's Proportionate Share of the Net Pension Liability (Asset)	$ 435,990	$ 447,197	$ 425,333	$ 390,737	$ 323,296	$ 195,559	$ 274,321	$ 199,765	$ 170,571	$ 118,318
Employer's Covered-Employee Payroll	$ 331,755	$ 361,309	$ 397,617	$ 354,112	$ 247,710	$ 232,731	$ 248,957	$ 213,827	$ 287,523	$ 236,197
Employer's Proportionate Share of the Net Position Liability (Asset) as a Percentage of its Covered-Employee Payroll	118.320000%	123.771343%	106.970522%	110.342801%	130.514002%	119.008028%	90.753756%	93.423524%	59.324333%	50.092838%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.710000%	63.490000%	65.598132%	64.675203%	66.260712%	79.136289%	69.555565%	73.253620%	80.099880%	84.905946%

* The amounts presented for each fiscal year were determined as of 6/30 within the fiscal year.

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

See Independent Auditor's Report.

Town of Clinton
Schedule of the Town's Contributions - MPERS
Last 10 Fiscal Years

Municipal Police Employees' Retirement System

		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	$	35,930	$ 38,439	$ 42,828	$ 22,453	$ 18,855	$ 15,750	$ 21,931	$ 25,207	28,087	54,968
Contributions in relation to contractually required contributions		35,930	38,439	42,828	22,453	18,855	15,750	21,931	26,905	28,087	54,968
Contribution deficiency (excess)		-	-	-	-	-	-	-	(1,698)	-	-
Employer's Covered Employee Payroll		115,437	109,293	104,759	63,137	53,969	57,524	71,868	77,268	80,628	160,137
Contributions as a % of Covered Employee Payroll		31.1252%	35.1706%	40.8822%	35.5616%	34.9361%	27.3798%	30.5163%	32.6223%	34.8354%	34.3257%

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

Town of Clinton
Schedule of the Town's Contributions - MERS Plan B
Last 10 Fiscal Years

Municipal Employees' Retirement System

		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	$	26,747	$ 68,630	$ 47,514	$ 44,004	$ 33,302	$ 38,479	$ 35,911	$ 41,169	$ 35,717	36,408
Contributions in relation to contractually required contributions		26,506	68,630	47,514	44,004	33,302	38,479	35,911	43,338	35,717	36,408
Contribution deficiency (excess)		241	-	-	-	-	-	-	(2,169)	-	-
Employer's Covered Employee Payroll		368,493	359,241	397,617	314,318	237,869	248,254	231,681	265,603	241,314	265,106
Contributions as a % of Covered Employee Payroll		7.1900%	19.104%	11.950%	14.000%	14.000%	15.5000%	15.500%	15.500%	14.801%	13.733%

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

See Independent Auditor's Report.

Pension Plan Schedules - Municipal Police Employees' Retirement System

A. Changes of Benefit Terms

There were no changes in benefit terms during any of the years presented.

B. Changes of Assumptions

Fiscal Year Ended December 31,	Measurement Date - June 30,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase
2015	2015	7.500%	7.500%	2.875%	4	9.75% for 1-2 years of service; 4.75% for 3-23 years of service; 4.25% for over 23 years of service
2016	2016	7.500%	7.500%	2.875%	4	9.75% for 1-2 years of service; 4.75% for 3-23 years of service; 4.25% for over 23 years of service
2017	2017	7.325%	7.325%	2.700%	4	9.75% for 1-2 years of service; 4.75% for 3-23 years of service; 4.25% for over 23 years of service
2018	2018	7.200%	7.200%	2.600%	4	9.75% for 1-2 years of service; 4.75% for 3-23 years of service; 4.25% for over 23 years of service
2019	2019	7.125%	7.125%	2.500%	4	9.75% for 1-2 years of service; 4.75% for 3-23 years of service; 4.25% for over 23 years of service
2020	2020	6.950%	6.950%	2.500%	4	12.30% for 1-2 years of service; 4.70% for over 2 years of service
2021	2021	6.750%	6.750%	2.500%	4	12.30% for 1-2 years of service; 4.70% for over 2 years of service
2022	2022	6.750%	6.750%	2.500%	4	12.30% for 1-2 years of service; 4.70% for over 2 years of service
2023	2023	6.750%	6.750%	2.500%	4	12.30% for 1-2 years of service; 4.70% for over 2 years of service
2024	2024	6.750%	6.750%	2.500%	4	12.30% for 1-2 years of service; 4.70% for over 2 years of service
2025	2025	6.750%	6.750%	2.500%	4	13.00% for 1-2 years of service; 4.75% for over 2 years of service

See independent auditor's report.

Pension Plan Schedules - Municipal Police Employees' Retirement System

Additionally, the following mortality tables were used to develop mortality rates:

Fiscal Year Ended December 31,	Measurement Date - June 30,	Mortality
2015	2015	The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2009 through June 30, 2014 and review of similar law enforcement mortality. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables.
2016	2016	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries; RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants; RP-2000 Employee Table set back 4 years for males and 3 years for females for active employees.
2017	2017	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries; RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants; RP-2000 Employee Table set back 4 years for males and 3 years for females for active employees.
2018	2018	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries; RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants; RP-2000 Employee Table set back 4 years for males and 3 years for females for active employees.
2019	2019	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries; RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants; RP-2000 Employee Table set back 4 years for males and 3 years for females for active employees.
2020	2020	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for annuitants and beneficiaries; Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for disabled annuitants; Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for active employees.
2021	2021	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for annuitants and beneficiaries; Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for disabled annuitants; Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for active employees.
2022	2022	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for annuitants and beneficiaries; Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for disabled annuitants; Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for active employees.
2023	2023	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for annuitants and beneficiaries; Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for disabled annuitants; Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for active employees.
2024	2024	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for annuitants and beneficiaries; Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for disabled annuitants; Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for active employees.
2025	2025	Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 125% for males and females, each with full generational projection using the MP2021 scale was used for annuitants and beneficiaries; Pub-2016 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 125% for males and females, each with full generational projection using the MP2021 scale was used for disabled annuitants; Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 125% for males and females, each with full generational projection using the MP2021 scale was used for active employees.

See independent auditor's report.

Pension Plan Schedules - Municipal Employees' Retirement System

A. Changes of Benefit Terms

There were no changes in benefit terms during any of the years presented.

B. Changes of Assumptions

Fiscal Year Ended December 31,	Measurement Date - June 30,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase
2015	2015	7.500%	7.500%	2.875%	4	5.00%
2016	2016	7.500%	7.500%	2.875%	4	5.00%
2017	2017	7.400%	7.400%	2.775%	4	5.00%
2018	2018	7.275%	7.275%	2.600%	3	5.00%
2019	2019	7.000%	7.000%	2.500%	3	7.40% for 1-4 years of service; 4.90% for more than 4 years of service
2020	2020	6.950%	6.950%	2.500%	3	7.40% for 1-4 years of service; 4.90% for more than 4 years of service
2021	2021	6.850%	6.850%	2.500%	3	7.40% for 1-4 years of service; 4.90% for more than 4 years of service
2022	2022	6.850%	6.850%	2.500%	3	7.40% for 1-4 years of service; 4.90% for more than 4 years of service
2023	2023	6.850%	6.850%	2.500%	3	7.40% for 1-4 years of service; 4.90% for more than 4 years of service
2024	2024	6.850%	6.850%	2.500%	3	9.50% for 1-2 years of service; 4.60% for more than 2 years of service
2024	2024	6.850%	6.850%	2.500%	3	9.50% for 1-2 years of service; 4.60% for more than 2 years of service

See independent auditor's report.

Pension Plan Schedules - Municipal Employees' Retirement System

Additionally, the following mortality tables were used to develop mortality rates:

Fiscal Year Ended December 31,	Measurement Date - June 30,	Mortality
2015	2015	RP-2000 Healthy Annuitant Table set forward 2 years for males and set forward 1 year for females for healthy annuitants; RP-2000 Employees Table set back 2 years for both males and females for active employees; RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females for disabled annuitants.
2016	2016	RP-2000 Healthy Annuitant Sex Distinct Mortality Tables set forward 2 years for males and set forward 1 year for females projected to 2028 using scale AA for annuitants and beneficiaries; RP-2000 Employees Sex Distinct Table set back 2 years for both males and females for employees; RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females for disabled annuitants.
2017	2017	RP-2000 Healthy Annuitant Sex Distinct Mortality Tables set forward 2 years for males and set forward 1 year for females projected to 2028 using scale AA for annuitants and beneficiaries; RP-2000 Employees Sex Distinct Table set back 2 years for both males and females for employees; RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females for disabled annuitants.
2018	2018	RP-2000 Healthy Annuitant Sex Distinct Mortality Tables set forward 2 years for males and set forward 1 year for females projected to 2028 using scale AA for annuitants and beneficiaries; RP-2000 Employees Sex Distinct Table set back 2 years for both males and females for employees; RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females for disabled annuitants.
2019	2019	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for annuitants and beneficiaries; PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for employees; PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scales for disabled annuitants.
2020	2020	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for annuitants and beneficiaries; PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for employees; PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scales for disabled annuitants.
2021	2021	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for annuitants and beneficiaries; PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for employees; PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scales for disabled annuitants.
2022	2022	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for annuitants and beneficiaries; PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for employees; PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scales for disabled annuitants.
2023	2023	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for annuitants and beneficiaries; PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for employees; PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scales for disabled annuitants.
2024	2024	PubG-2010(B) Healthy Retiree Table set equal to 115% for males and females, each adjusted using their respective male and female MP2021 scales for annuitants and beneficiaries; PubG-2010(B) Employee Table set equal to 115% for males and females, each adjusted using their respective male and female MP2021 scales for employees; PubNS-2010(B) Disabled Retiree Table set equal to 115% for males and 120% for females with the full generational MP2021 scales for disabled annuitants.
2025	2025	PubG-2010(B) Healthy Retiree Table set equal to 115% for males and 120% for females, each adjusted using their respective male and female MP2021 scales for annuitants and beneficiaries; PubG-2010(B) Employee Table set equal to 115% for males and 120% for females, each adjusted using their respective male and female MP2021 scales for employees; PubNS-2010(B) Disabled Retiree Table set equal to 115% for males and 120% for females with the full generational MP2021 scales for disabled annuitants.

See independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF CLINTON, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO GOVERNING MEMBERS
YEARS ENDED DECEMBER 31, 2025

This schedule of compensation paid to governing members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Mayor			
	Mark Kemp	$	18,000
Board Members			
	Clovis Matthews	$	6,000
	Benjamin Morris		6,000
	Donald Beauchamp		6,000
	Janice Betrece		6,000
	Kim Young		6,000
	Total Paid	$	30,000

See Independent Auditor's Report

TOWN OF CLINTON, LOUISIANA
SCHEDULE OF COMPENSATION , BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD
YEARS ENDED DECEMBER 31, 2025

Agency Head
Mark Kemp
Mayor

Purpose	Amount
Salary	$ 18,000
Total Compensation, Benefits and Other Payments	$ 18,000

See Independent Auditor's Report

Justice System Funding Schedule - Collecting/Disbursing Entity

Town of Clinton, Louisiana

As Required by Act 87 of the 2020 Regular Legislative Session

For the Year Ended December 31, 2025

Cash Basis Presentation	**First Six Month Period Ended 06/30/25**	**Second Six Month Period Ended 12/31/25**
Beginning Balance of Amounts Collected (i.e. cash on hand)	$ -	$ -
Add: Collections		
Criminal Fines - Other	68,071	56,687
Subtotal Collections	68,071	56,687
Less: Disbursements To Governments & Nonprofits:		
Louisiana Commission on Law Enforcement-Criminal court/fees	501	613
Louisiana Supreme Court-Criminal Court costs/fees	110	132
Treasurer, State of LA-CMIS Criminal Court Costs/fees	221	268
Traumatic Head and Spinal Court Injuries Services-Criminal Court costs/fees	710	580
Feliciana Juvenile Justice District Criminal Court costs/fees	1,105	1,339
Town of Clinton-Special Court Costs	3,315	3,765
Less: Amounts Retained by Collecting Agency		
Town of Clinton Criminal Fees-Other	61,169	49,229
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Other Disbursements to Individuals (additional detail is not required)	40	11
Payments to 3rd Party Collection/Processing Agencies	900	750
Subtotal Disbursements/Retainage	68,071	56,687
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	$ -	$ -

See independent auditor's report.

Minda B. Raybourn
Certified Public Accountant
Limited Liability Company
820 11th Avenue
Franklinton, Louisiana 70438
(985) 839-4413
Fax (985) 839-4402

Member
AICPA

Member
LCPA

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

To the Honorable Mayor Mark Kemp
And Members of the Board of Aldermen
PO Box 513
Clinton, LA 70722

I 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, each major fund, and the aggregate remaining fund information of the Town of Clinton, Louisiana, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued my report thereon dated June 17, 2026.

Internal Control over Financial Reporting

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2025-001 that I consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are listed in the accompanying schedule of findings and responses as items 2025-002 and 2025-003

Town of Clinton, Louisiana's Response to Findings

The Town of Clinton's response to the findings identified in my audit is described in the accompanying schedule of findings. The Town of Clinton's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Minda Raybourn

Minda Raybourn, CPA
Franklinton, Louisiana
June 17, 2026

TOWN OF CLINTON, LOUISIANA
SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025

I have audited the financial statements of the Town of Clinton, Louisiana as of and for the year ended December 31, 2025, and have issued my report thereon dated June 17, 2026. I conducted my 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. My audit of the financial statements as of December 31, 2025, resulted in an unmodified opinion.

Current Year Findings - Financial Statement Audit

Section I Summary of Auditor's Reports

A. Report on Compliance and Internal Control Material to the Financial Statements

Internal Control	Significant Deficiencies	Yes
	Material Weakness	No
Compliance	Material to Financial Statements	Yes

B. Federal Awards

N/A

C. Management Comment Letter

N/A

TOWN OF CLINTON, LOUISIANA
SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025

Internal Control Findings

FINDING 2025-001 Fund-Level Accounting Records

Condition: During the audit of the Town of Clinton's financial statements for the year ended December 31, 2025**,** I noted that the Town maintains its accounting records in a single QuickBooks ledger and does not maintain separate, self-balancing fund-level accounting records for each of its funds. The funds included are the general fund, special revenue fund (street and sidewalk fund), and enterprise fund (utilities). As a result, fund-level reports are not readily available from the accounting system. Fund information must be reconstructed manually at year end to prepare the financial statements.

Criteria: Governmental accounting standards provide that governmental accounting systems should be organized and operated on a fund basis. In addition, the standards provide that each fund must be accounted for in a separate self-balancing set of accounts.

Cause: The Town of Clinton maintained accounting activity in a single ledger without a consistent fund-level accounting structure capable of producing separate self-balancing accounting records for each fund. The apparent cause is that the Town has not configured QuickBooks to track fund activity through classes, locations, or another consistent structure that identifies transactions by funds. The Town of Clinton has historically reconstructed fund-level information at year-end rather than maintained separate fund-level records throughout the year.

Effect: Maintaining activity in a single ledger without a consistent fund-level accounting structure may increase the risk that transactions are posted to the incorrect fund and that interfund activity is not recorded or reconciled correctly. The condition also increases the risk that errors are not identified and corrected during the year. Audit adjustments were necessary to present separate fund-level financial reporting.

Recommendation: I recommend that the Town configure its accounting system to maintain separate, self-balancing fund-level records for each fund. The Town may accomplish this within QuickBooks through classes, locations, fund-specific chart of accounts segments, or another consistent accounting structure that allows management to record, monitor, reconcile, and report financial activity by fund throughout the year. Procedures should include reconciliations of interfund activity on a monthly and quarterly basis to ensure that interfund accounts and transfers are recorded correctly.

Management Response: We will implement policies and procedures for the recommendation.

TOWN OF CLINTON, LOUISIANA
SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025

Compliance Findings

FINDING 2025-002 Late Payments of Federal Payroll Taxes

Condition: During the audit, I noted that the Town did not consistently remit federal payroll tax deposits by the required due dates. The Town was classified as a semi-weekly federal payroll tax depositor during calendar year 2025. Based on the procedures performed, federal payroll taxes related to 2025 payroll periods totaling $90,718 were not deposited until January 2026. Several payroll taxes due were paid late.

Criteria: Federal payroll tax deposit requirements provide that semi-weekly depositors must deposit accumulated employment taxes based on the date wages are paid. Under Treasury regulations, semi-weekly depositors must deposit employment taxes as follows:

Wage Payment Dates	Required Deposit Due Date
Saturday, Sunday, Monday, and/or Tuesday	On or before the following Friday
Wednesday, Thursday, and/or Friday	On or before the following Wednesday

These deposit rules are based on when wages are paid, not when wages are earned or accrued.

Cause: The Town did not have adequate procedures in place to ensure that federal payroll tax deposit obligations were identified, reviewed, and remitted by the required semi-weekly due dates. Specifically, management did not timely detect and correct certain unpaid federal payroll tax obligations related to 2025 payroll periods before year-end. There appears to be a lack of a formal payroll tax deposit calendar or automated due-date monitoring process.

Effect: As a result of the late deposits, the Town was not in compliance with federal payroll tax deposit timing requirements for the affected 2025 payroll periods. A majority of the payroll taxes that came due during the year were either paid late or not paid. Federal payroll taxes totaling $90,718 related to 2025 payroll periods remained unpaid until January 2026. This amount was recorded as a year-end liability in the general fund.

The condition may result in:

- Assessment of IRS penalties and interest;
- Increased risk of additional federal tax compliance notices or enforcement actions;
- Misstatement or incomplete presentation of payroll tax liabilities at year-end if not properly accrued;
- Reduced reliability of controls over payroll tax compliance and cash disbursements; and
- Use of public funds for avoidable penalties or interest, if assessed.

Recommendation: I recommend that the Town strengthen internal controls and compliance procedures over federal payroll tax deposits to ensure all payroll tax liabilities are remitted by required due dates. At a minimum, management should:

1. Establish a payroll tax deposit calendar that reflects the Town's semi-weekly depositor status and required federal deposit due dates.

2. Assign responsibility to a specific employee or official for preparing and initiating payroll tax deposits after each payroll.
3. Require documented supervisory review of each payroll tax deposit, including review of the payroll date, tax liability amount, required deposit due date, and actual payment confirmation.
4. Reconcile payroll tax liabilities to deposits after each payroll and at month-end or quarter-end.
5. Maintain documentation supporting each federal tax deposit, including EFTPS confirmations, payroll registers, liability reports, and review signoffs.
6. Monitor IRS account activity for notices, penalties, or interest and resolve any outstanding payroll tax matters promptly.

Management Response: The following response was provided by the Town's CPA and has been reviewed and expressly adopted by the Town's responsible official as the Town's official response to this finding:

We are writing regarding the Form 941 tax payments for our client and to provide clarification concerning the notices received indicating that payroll tax liabilities had not been paid.

All required Form 941 tax payments were made in a timely manner. However, despite these timely submissions, the client continued to receive correspondence stating that the taxes remained unpaid. As a result, we conducted a thorough investigation into the matter.

With the assistance of a representative from the Electronic Federal Tax Payment System (EFTPS), it was determined that an error occurred in the transmission of the payments through the EFTPS system. Although the payments had been initiated, the transmission issue prevented the funds from being withdrawn from the client's bank account and properly applied to the tax liabilities.

Upon identifying the issue, the EFTPS representative worked directly with us to resolve the matter. The representative confirmed the circumstances surrounding the transmission error, assisted in ensuring that all payments were fully processed and applied correctly, and abated all associated penalties and interest that had accrued as a result of the system issue.

To prevent a recurrence of this situation, we have implemented additional internal controls and established a system of checks and balances to verify that future EFTPS payments are successfully transmitted, withdrawn from the client's bank account, and properly credited to the appropriate tax periods.

We respectfully request that this information be considered during your review. Please let us know if any additional clarification is needed.

FINDING 2025-003 Noncompliance with Local Government Budget Act

Condition: The expenditures in the special revenue fund (street and sidewalk) were over budget by 7.11%.

Criteria: Per R.S. 39:1311, the governing authority must adopt a budget amendment if there is a 5% or greater overage in expenditures and other uses of funds.

Cause: The budget was amended. However, expenditures were not increased sufficiently to meet actual expenditures.

Effect: There is noncompliance with the Local Government Budget Act.

Recommendation: Management should ensure that projections used for the budget amendments are accurate to ensure compliance with the Local Government Budget Act.

Management Response: We will implement the auditor's recommendation.

PRIOR YEAR FINDINGS AND RESPONSES

Findings from December 31, 2024

Finding 2024-C1 Late Payments of Federal Tax Payments

Criteria: Payroll taxes due under a semiweekly schedule are paid depending on when employees are paid. Under the semiweekly deposit schedule, employment taxes for payments made on Wednesday, Thursday, and/or Friday are due by the following Wednesday. Employment taxes for payments made on Saturday, Sunday, Monday, and/or Tuesday are due by the following Friday.

Condition: The Town is required to pay the employment taxes on a semiweekly deposit schedule as reported on its form 941, schedule B. During my examination of the federal payroll tax payments, I noticed some were paid past the required due date.

Cause: Unknown.

Effect: Noncompliance with federal employment tax regulations. Interest and penalties may be assessed.

Recommendation: The Town needs to put in place policies and procedures to ensure payroll taxes are paid timely according to the date the employees are paid. A calendar should be used among persons responsible for payroll and management for the date the employees are paid and the date the payroll taxes are due.

Management Response*:* We will implement the auditor's recommendations.

Status: Not Resolved.

Finding 2024-C2 Late Payment of Municipal Police Employee Retirement System (MPERS) Payments

Criteria**:** Per Louisiana R.S. 11:2227J(1), municipality payments to the Louisiana Municipal Police Employees' Retirement System (MPERS) are due by the 10th of each month.

Condition: Several of the retirement contributions to MPERS were made past the 10^{th} of each month.

Cause: Unknown.

Effect: Noncompliance with state retirement regulations. Interest and penalties may be assessed.

Recommendation: The Town needs to put in place policies and procedures to ensure retirement contributions are paid timely. A calendar should be used among persons responsible for payroll and management for the due date of all retirement benefit payments.

Management Response*:* We will implement the auditor's recommendations.

Status: Resolved.

Minda B. Raybourn

Certified Public Accountant
Limited Liability Company

820 11th Avenue
Franklinton, Louisiana 70438
(985) 839-4413
Fax (985) 839-4402
wrcpa@huntbrothers.com

Member AICPA

Member LCPA

To the Town of Clinton 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 January 01, 2025 through December 31, 2025. Town of Clinton's management is responsible for those C/C areas identified in the SAUPs.

Town of Clinton 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 January 01, 2025 through December 31, 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.

No exceptions were found as a result of this procedure.

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

No 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).

No 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 rates of pay or approval and maintenance of pay rate schedules.

No 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.

No exceptions were found as a result of this procedure.

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

No 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).

No 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.

No 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.

No 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.

No exceptions were found as a result of this procedure.

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.

No 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. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period*

No 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.

v. ***No exceptions were found as a result of this procedure.***

3) Bank Reconciliations

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

A listing and management's representation were obtained.

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);

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

4) Collections (excluding electronic funds transfers)

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

A listing and management's representation were obtained.

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

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

No exceptions were found as a result of this procedure

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

No exceptions were found as a result of this procedure

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

No exceptions were found as a result of this procedure

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 this procedure

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). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and

i. Observe that receipts are sequentially pre-numbered.

No 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.

No 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).

No 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).

A listing and management's representation were obtained.

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, then 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;

No 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

No 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.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

C. For each location selected under 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.
No 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. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

No 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.

A listing and management's representation were obtained.

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., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

No exceptions were found as a result of this procedure.

ii. Observe that finance charges and late fees were not assessed on the selected statements.
No exceptions were found as a result of this procedure.

C. Using the monthly statements or combined statements selected under procedure #6B above, <u>excluding fuel cards</u>, 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.

Some of the charges for meals did not have names on the receipt and some of the meal charges were not itemized.

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

No 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

A listing and management's representation were obtained.

i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana (doa.la.gov/doa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov);

No exceptions were found as a result of this procedure.

ii. 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.

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

No exceptions were found as a result of this procedure.

iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
No 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. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

A listing and management's representation were obtained.

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;

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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 this procedure.

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.

A listing and management's representation were obtained.

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;

No 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.

No 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) have been paid, and any associated forms have been filed, by required deadlines.

Payroll taxes for federal were paid late throughout the year. Two state withholding quarterly payments were paid late. Three payments to MERS were paid late.

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

No 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 balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

No 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 that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions were found as a result of this procedure.

13) Information Technology Disaster Recovery/Business Continuity

Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management":**

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

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

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

We were engaged by Town of Clinton 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 Town of Clinton 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.

Minda Raybourn
Franklinton, LA
June 17, 2026

TOWN OF CLINTON, LOUISIANA
MANAGEMENT'S RESPONSE TO AGREED UPON PROCEDURES REPORT
FOR THE YEAR ENDED DECEMBER 31, 2025

Management's responses to the following agreed-upon procedures:

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

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

Exceptions Noted: Some of the charges for meals did not have names on the receipt and some of the meal charges were not itemized.

Management Response: We will ensure all credit card charges are itemized or detailed and include all names at the meal.

Payroll and Personnel

Procedure: 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) have been paid, and any associated forms have been filed, by required deadlines.

Exception Noted: Payroll taxes for federal were paid late throughout the year. Two state withholding quarterly payments were paid late. Three payments to MERS were paid late.

Management Response: We will institute an office wide calendar system for all due dates for payroll taxes and retirement system payments and coordinate with our accountants to ensure all payments to be made are made timely.