TOWN OF ARNAUDVILLE, LOUISIANA

Financial Report

Year Ended June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

The Honorable Todd Meche, Mayor
and Members of the Board of Aldermen
Town of Arnaudville, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Arnaudville, Louisiana (Town), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards,* we exercise professional judgement and maintain professional skepticism throughout the audit. We 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. We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed. We 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. We conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of employer's share of net pension liability and schedule of employer contributions on pages 43 through 49 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Arnaudville, Louisiana's basic financial statements. The other supplementary information on pages 51 through 64 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The combined and comparative statements and the Justice System Funding Schedule are the responsibility of management and 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 our opinion, these combined and comparative statements and the Justice System Funding Schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The prior year comparative information on these statements has been derived from the Town of Arnaudville's 2024 financial statements, which was 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 and, in our opinion, was fairly presented, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2025, on our consideration of the Town of Arnaudville, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Arnaudville, Louisiana's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 10, 2025

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)

TOWN OF ARNAUDVILLE

Statement of Net Position
June 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing demand deposits	$ 1,551,202	$ 1,140,189	$ 2,691,391
Interest-bearing time deposits	549,229	1,112,597	1,661,826
Receivables, net	40,028	140,202	180,230
Internal balances	22,294	(22,294)	-
Due from other governmental units	85,236	-	85,236
Prepaid items	10,377	10,848	21,225
Total current assets	2,258,366	2,381,542	4,639,908
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing demand deposits	-	70,467	70,467
Capital assets, net	2,202,696	4,797,738	7,000,434
Total noncurrent assets	2,202,696	4,868,205	7,070,901
Total assets	4,461,062	7,249,747	11,710,809
DEFERRED OUTFLOWS OF RESOURCES	537,704	64,889	602,593
LIABILITIES			
Current liabilities:			
Accounts and other payables	25,229	9,822	35,051
Customers deposits payable	-	70,467	70,467
Total current liabilities	25,229	80,289	105,518
Noncurrent liabilities:			
Compensated absences	12,008	12,186	24,194
Net pension liability	1,031,072	293,206	1,324,278
Total noncurrent liabilities	1,043,080	305,392	1,348,472
Total liabilities	1,068,309	385,681	1,453,990
DEFERRED INFLOWS OF RESOURCES	54,862	55,662	110,524
NET POSITION			
Net investment in capital assets	2,202,696	4,797,738	7,000,434
Restricted for sales tax dedications	1,815,240	-	1,815,240
Unrestricted (deficit)	(142,341)	2,075,555	1,933,214
Total net position	$ 3,875,595	$ 6,873,293	$ 10,748,888

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

TOWN OF ARNAUDVILLE

Statement of Activities
For the Year Ended June 30, 2025

Activities	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Position: Governmental Activities	Net (Expense) Revenues and Changes in Net Position: Business-Type Activities	Total
Governmental activities:							
General government	$ 441,871	$ 128,301	$ -	$ -	$ (313,570)	$ -	$ (313,570)
Public safety:					-		
Police	852,411	21,130	35,080	-	(796,201)	-	(796,201)
Streets	130,385	-	4,711	-	(125,674)	-	(125,674)
Community center	22,218	-	-	-	(22,218)	-	(22,218)
Parks and recreation	76,968	-	26,035	-	(50,933)	-	(50,933)
Total governmental activities	1,523,853	149,431	65,826	-	(1,308,596)	-	(1,308,596)
Business-type activities:							
Gas	330,822	438,359	-	-	-	107,537	107,537
Water	512,050	523,006	-	-	-	10,956	10,956
Sewer	299,565	236,804	-	463,964	-	401,203	401,203
Sanitation	176	1,110	-	-	-	934	934
Total business-type activities	1,142,613	1,199,279	-	463,964	-	520,630	520,630
Total	$ 2,666,466	$ 1,348,710	$ 65,826	$ 463,964	(1,308,596)	520,630	(787,966)
General revenues:							
Taxes -							
Property taxes, levied for general purposes					56,225	56,385	112,610
Sales and use taxes, levied for general purposes					935,236	-	935,236
Franchise taxes					74,239	-	74,239
Grants and contributions not restricted to specific programs -							
State sources					37,492	-	37,492
Non-employer pension contribution					29,658	8,528	38,186
Interest and investment earnings					67,956	49,932	117,888
Miscellaneous					29,048	-	29,048
Gain (loss) on sale of asset					-	(4,949)	(4,949)
Transfers					(34,376)	34,376	-
Total general revenues and transfers					1,195,478	144,272	1,339,750
Change in net position					(113,118)	664,902	551,784
Net position - July 1, 2024					3,988,713	6,208,391	10,197,104
Net position - June 30, 2025					$ 3,875,595	$ 6,873,293	$ 10,748,888

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

MAJOR FUNDS

General Fund

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

Special Revenue Funds

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

1969 Sales Tax Fund -
To account for the receipt and use of proceeds of the Town's 1969 1% sales and use tax. These taxes are dedicated for the purpose of constructing, acquiring, improving and maintaining police department stations and equipment, garbage and waste disposal facilities, streets, drains and drainage facilities; compensating policemen; maintaining sewers and sewerage disposal works; and purchasing and acquiring the necessary equipment and furnishings for the aforesaid public works, improvements and facilities.

1982 Sales Tax Fund -
To account for the receipt and use of proceeds of the Town's 1982 1% sales and use tax. These taxes are dedicated for the purpose of constructing, acquiring, improving, operating, and/or maintaining public streets, bridges, sidewalks, drainage facilities, recreational facilities and garbage and waste disposal facilities; and purchasing and acquiring the necessary land, equipment, and furnishings for any of the aforesaid public works, improvements and facilities.

Capital Projects Funds

2% Set Aside Fund -
To account for the financing of various capital improvement projects as designated by the Town Council. Capital projects are to be funded by excess annual revenues of the Town.

Enterprise Fund

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

TOWN OF ARNAUDVILLE

Balance Sheet
Governmental Funds
June 30, 2025

	General	1969 Sales Tax Special Revenue	1982 Sales Tax Special Revenue	2% Set Aside Capital Projects	Other Governmental Funds	Total
ASSETS						
Cash and interest-bearing demand deposits	$ 178,822	$ 514,551	$ 843,929	$ -	$ 13,900	$ 1,551,202
Interest-bearing time deposits	-	249,434	128,350	171,445	-	549,229
Receivables:						
Other	33,942	41	-	-	-	33,983
Interest	-	2,815	2,391	839	-	6,045
Due from other governmental units	1,106	42,065	42,065	-	-	85,236
Due from other funds	882	-	2,531	99,250	-	102,663
Prepaid items	10,377	-	-	-	-	10,377
Total assets	225,129	808,906	1,019,266	271,534	13,900	2,338,735
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	13,179	7,680	4,370	-	-	25,229
Due to other funds	3,012	882	-	76,475	-	80,369
Total liabilities	16,191	8,562	4,370	76,475	-	105,598
Fund balances -						
Nonspendable (prepaid items)	10,377	-	-	-	-	10,377
Restricted for sales tax dedications	-	800,344	1,014,896	-	-	1,815,240
Assigned for capital projects	-	-	-	195,059	13,900	208,959
Unassigned	198,561	-	-	-	-	198,561
Total fund balances	208,938	800,344	1,014,896	195,059	13,900	2,233,137
Total liabilities and fund balances	$ 225,129	$ 808,906	$ 1,019,266	$ 271,534	$ 13,900	$ 2,338,735

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

TOWN OF ARNAUDVILLE

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

Total fund balances for governmental funds		$2,233,137
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	$ 186,668	
Buildings and improvements, net of $659,192 accumulated depreciation	622,914	
Infrastructure, net of $966,598 accumulated depreciation	1,220,942	
Equipment and vehicles, net of $413,288 accumulated depreciation	172,172	2,202,696
The deferred outflows of expenditures for the municipal and police employees retirement systems are not a use of current resources, and therefore, are not reported in the funds.		537,704
Long-term liabilities of governmental activities are not payable from current resources and, therefore, not reported in the funds. These liabilities consist of:		
Compensated absences payable	(12,008)	
Net pension liability	(1,031,072)	(1,043,080)
The deferred inflows of contributions for the municipal and police employees retirement systems are not available resources, and therefore, are not reported in the funds.		(54,862)
Total net position of governmental activities		$3,875,595

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

TOWN OF ARNAUDVILLE

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

	General	1969 Sales Tax Special Revenue	1982 Sales Tax Special Revenue	2% Set Aside Capital Projects	Other Governmental Funds	Total
Revenues:						
Taxes	$ 130,464	$ 466,578	$ 468,658	$ -	$ -	$ 1,065,700
Licenses and permits	128,301	-	-	-	-	128,301
Intergovernmental	42,203	35,080	-	-	-	77,283
Fines and forfeits	21,130	-	-	-	-	21,130
Miscellaneous	55,083	29,648	28,664	9,575	69	123,039
Total revenues	377,181	531,306	497,322	9,575	69	1,415,453
Expenditures:						
Current -						
General government	352,501	25,811	22,117	-	-	400,429
Public safety - police	279,784	383,768	-	-	-	663,552
Streets	8,357	-	30,202	-	-	38,559
Community center	22,218	-	-	-	-	22,218
Parks and recreation	60,425	-	3,755	-	-	64,180
Capital outlay	3,972	53,152	-	-	-	57,124
Total expenditures	727,257	462,731	56,074	-	-	1,246,062
Excess (deficiency) of revenues over expenditures	(350,076)	68,575	441,248	9,575	69	169,391
Other financing sources (uses):						
Transfers in	300,000	-	-	-	-	300,000
Transfers out	(7,941)	-	(300,000)	(26,435)	-	(334,376)
Total other financing sources (uses)	292,059	-	(300,000)	(26,435)	-	(34,376)
Net changes in fund balances	(58,017)	68,575	141,248	(16,860)	69	135,015
Fund balances, beginning	266,955	731,769	873,648	211,919	13,831	2,098,122
Fund balances, ending	$ 208,938	$ 800,344	$1,014,896	$ 195,059	$ 13,900	$ 2,233,137

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

TOWN OF ARNAUDVILLE

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

Total net changes in fund balance for the year ended June 30, 2025 per statement of revenues, expenditures and changes in fund balances		#REF!
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which are considered expenditures on the statement of revenues, expenditures and changes in fund balances	$ 57,124	
Depreciation expense	(203,467)	(146,343)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.		
Decrease in compensated absences	6,246	
Increase in pension expense	(137,694)	(131,448)
Non-employer's contributions to the municipal employees and the police employees pension plans		29,658
Total net changes in net position for the year ended June 30, 2025 per statement of activities		#REF!

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

TOWN OF ARNAUDVILLE

Statement of Net Position
Proprietary Fund
June 30, 2025

	Enterprise Fund
ASSETS	
Current assets:	
Cash and interest-bearing demand deposits	$ 1,140,189
Interest-bearing time deposits	1,112,597
Receivables:	
Accounts	121,118
Other	19,084
Due from other funds	76,956
Prepaid items	10,848
Total current assets	2,480,792
Noncurrent assets:	
Restricted assets -	
Cash and interest-bearing demand deposits	70,467
Capital assets, net of accumulated depreciation	4,797,738
Total noncurrent assets	4,868,205
Total assets	7,348,997
DEFERRED OUTFLOWS OF RESOURCES	64,889
LIABILITIES	
Current liabilities:	
Accounts payable	1,968
Due to other funds	99,250
Accrued liabilities	7,854
Payable from restricted assets -	
Customers' deposits payable	70,467
Total current liabilities	179,539
Noncurrent liabilities:	
Compensated abscences	12,186
Net pension liability	293,206
Total noncurrent liabilities	305,392
Total liabilities	484,931
DEFERRED INFLOWS OF RESOURCES	55,662
NET POSITION	
Net investment in capital assets	4,797,738
Unrestricted	2,075,555
Total net position	$ 6,873,293

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

TOWN OF ARNAUDVILLE

Statement of Revenues, Expenses, and Changes in Fund Net Position -
Proprietary Fund
For the Year Ended June 30, 2025

	Enterprise Fund
Operating revenues:	
Charges for services -	
Gas charges	$ 375,088
Water charges	502,884
Sewer service charges	231,885
Sanitation charges	448
Miscellaneous	88,974
Total operating revenues	1,199,279
Operating expenses:	
Salaries	258,873
Payroll taxes and retirement	13,620
Gas purchases	77,396
Supplies, repairs and maintenance	269,917
Professional fees	41,629
Telephone	6,301
Depreciation	329,293
Insurance	73,047
Utilities	40,690
Fire department expense	3,072
Office supplies	15,729
Miscellaneous	13,046
Total operating expenses	1,142,613
Operating income	56,666

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position -
Proprietary Fund (Continued)
For the Year Ended June 30, 2025

	Enterprise Fund
Nonoperating revenues (expenses):	
Non-employer pension contribution	8,528
Interest income	49,932
Ad valorem taxes	56,385
Gain (loss) on sale of asset	(4,949)
Total nonoperating revenues (expenses)	109,896
Income before contributions and transfers	166,562
Contributions	463,964
Transfers	34,376
Change in net position	664,902
Net position, beginning	6,208,391
Net position, ending	$ 6,873,293

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

TOWN OF ARNAUDVILLE, LOUISIANA

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

	Enterprise Fund
Cash flows from operating activities:	
Receipts from customers	$ 1,214,036
Payments to suppliers	(645,159)
Payments to employees	(245,253)
Net cash provided by operating activities	323,624
Cash flows from noncapital financing activities:	
Cash owed to other funds	(26,916)
Transfers from other funds	34,376
Increase in customer deposits payable	1,825
Ad valorem tax receipts	56,385
Net cash provided by noncapital financing activities	65,670
Cash flows from capital and related financing activities:	
Acquisition of property, plant and equipment	(814,311)
Capital contributions	463,964
Net cash used by capital and related financing activities	(350,347)
Cash flows from investing activities:	
Maturities of interest-bearing time deposits	1,069,792
Purchase of interest-bearing time deposits	(1,112,597)
Interest on interest-bearing deposits	49,932
Net cash provided by investing activities	7,127
Net increase in cash and cash equivalents	46,074
Cash and cash equivalents, beginning of period	1,164,582
Cash and cash equivalents, end of period	$ 1,210,656

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA

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

	Enterprise Fund
Reconciliation of operating loss to net cash provided by operating activities:	
Operating income	$ 56,666
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	329,293
Pension benefit	(55,111)
Changes in current assets and liabilities:	
Decrease in accounts receivable	14,757
Increase in other receivables	(6,900)
Decrease in prepaid items	9,174
Decrease in accounts payable	(22,215)
Decrease in accrued liabilities	(2,040)
Total adjustments	266,958
Net cash provided by operating activities	$ 323,624
Reconciliation of cash and cash equivalents per statement of cash flows to the statement of net position:	
Cash and cash equivalents, beginning of period -	
Cash - unrestricted	$ 1,095,940
Cash - restricted	68,642
Total cash and cash equivalents	1,164,582
Cash and cash equivalents, end of period -	
Cash - unrestricted	1,140,189
Cash - restricted	70,467
Total cash and cash equivalents	1,210,656
Net increase	$ 46,074

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

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

The Town of Arnaudville was incorporated in 1909 under the provisions of the Lawrason Act. The Town operates under the Mayor-Board of Aldermen form of government.

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Based on the foregoing criteria, one governmental organization is not part of the Town and is thus excluded from the accompanying financial statements. This organization is the Arnaudville Volunteer Fire Department. Although the Town does provide facilities and some of their financing, no control is exercised over their operations.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

Fund Financial Statements (FFS)

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

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

a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type: and

b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The Town reports the following major governmental funds:

Governmental Funds -

General Fund

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

Special Revenue Funds

1969 Sales Tax Fund -

The 1969 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes. These taxes are described in note 3.

1982 Sales Tax Fund -

The 1982 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes. These taxes are described in note 3.

Capital Projects Funds

2% Set Aside Fund –

The 2% Set Aside Fund is used to account for the financing of various capital improvement projects as designated by the Town Council. Capital projects are to be funded by excess annual revenues of the Town.

The Town reports the following major enterprise funds:

Utility Fund -

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

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

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

a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

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

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

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

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

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

Cash, interest-bearing deposits, and investments

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Town. For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Interfund receivables and payables

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

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes and franchise taxes. Business-type activities report customer's utility service receivables as their major receivables. Through the establishment of an allowance account, uncollectible amounts due from customers' utility receivables are determined based on the Town's collection history. The allowance for uncollectible for customers utility receivables at June 30, 2025 was $10,285. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month are $52,577 at June 30, 2025.

Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. The Town maintains a threshold level of $1,000 or more for capitalizing capital assets. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	40 years
Equipment and vehicles	3-10 years
Utility system and improvements	10-50 years
Infrastructure	40 years

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

Prior to the adoption of GASB 34, it was the Town's policy not to record infrastructure; therefore, the Town did not have a complete listing of infrastructure. However, through the years, a partial list of infrastructure was maintained. The Town has opted not to do a detailed analysis of existing infrastructure. Rather, infrastructure for which cost information is available is reported prospectively.

Restricted Assets

Restricted assets include cash, interest-bearing deposits, and investments of the proprietary fund that are legally restricted as to their use. The restricted assets are related to utility meter deposits.

Long-term debt

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures of revenues, respectively. At June 30, 2025, the Town's deferred outflows and inflows of resources are attributable to its pension plans.

Compensated Absences

Town employees are entitled to certain compensated absences based upon their length of service.

Vacation leave is earned at the rate of five days to twenty days per year. Vacation leave earned does not accumulate from year to year. However, all vacation leave accumulated at the time of separation is payable.

Sick leave is earned at the rate of one day per month not to exceed ten days in one year. Employees are allowed to accumulate and carryforward up to thirty days of sick leave from year to year. Accumulated sick leave is not payable at time of separation.

At June 30, 2025, employees of the Town have accumulated and vested $24,194 of compensated absence benefits. The estimated liabilities include required salary-related payments.

Equity Classifications

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

a. Net investment in capital assets – This component consists of net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased balances of deferred outflows of resources related to those assets.

b. Restricted net position – This component is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Town's debt. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets. Constraints may be placed on the use, either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Town typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project. At June 30, 2025, the Town reported $1,815,240 of restricted net position, all of which was restricted by enabling legislation.

c. Unrestricted net position – This component consists of all other net position that does not meet the definition of the above two components and is available for general use by the Town.

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balances of the governmental funds are classified as follows.

a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

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

c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Town's Mayor and Board of Aldermen, which is the highest level of decision-making authority for the Town.

d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Town's adopted policy, only the Mayor and Board of Aldermen may assign amounts for specified purposes.

e. Unassigned – all other spendable amounts.

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

Enterprise (Utility) Fund equity at the fund level is classified the same as in the government-wide statements.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

In the fund financial statements, governmental funds expenditures are classified by character and proprietary fund expenses are classified by operating and nonoperating.

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

Interfund Transfers

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

F. Revenue Restrictions

The Town has various restrictions placed over certain revenue sources from state or local requirements. The Town uses unrestricted resources only when restricted resources are fully depleted. The primary restricted revenue sources include:

Revenue Source	Legal Restrictions of Use
Sales tax	See Note 3

G. Use of Estimates

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

H. Comparative Data and Reclassification

Comparative data for the prior year have been presented in certain sections of the accompanying financials statements in order to provide an understanding of changes in the Town's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

(2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to taxpayers in December. Billed taxes become delinquent on January 1 of the following year. The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessors of St. Martin and St. Landry Parishes. Town property tax revenues are budgeted in the year billed.

For the year ended June 30, 2025, taxes of 12.23 mills were levied on property with assessed valuations totaling $8,669,841 and were dedicated as follows:

General corporate purposes	5.50 mills
Utility system	6.73 mills

Total taxes levied were $106,032. There are no taxes receivable amounts at June 30, 2025.

(3) Sales and Use Tax

Proceeds of a 1 percent sales and use tax (accounted for in the 1969 Sales Tax Fund - a special revenue fund) levied by the Town (2025 collections $466,578) are dedicated to the following purposes:

> Constructing, acquiring, improving and maintaining police department stations and equipment, garbage and waste disposal facilities, streets, drains and drainage facilities; compensating policemen; maintaining sewers and sewerage disposal works; and purchasing and acquiring the necessary equipment and furnishings for the aforesaid public works, improvements and facilities.

Proceeds of a 1 percent sales and use tax (accounted for in the 1982 Sales Tax Fund - a special revenue fund) levied by the Town (2025 collections $468,658) are dedicated to the following purposes:

> Constructing, acquiring, improving, operating and/or maintaining public streets, bridges, sidewalks, drainage facilities, recreational facilities and garbage and waste disposal facilities; and purchasing and acquiring the necessary land, equipment, and furnishings for any of the aforesaid public works, improvements and facilities.

The above sales taxes were issued in perpetuity.

(4) Cash and Interest-Bearing Deposits and Investments

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

At June 30, 2025, the Town had cash and interest-bearing deposits (book balances) totaling $4,423,684 as follows:

Demand deposits	$2,761,858
Time deposits	1,661,826
Total	$4,423,684

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

Deposit balances (bank balances) as of June 30, 2025 were secured as follows:

Bank balances	$4,515,930
Federal deposit insurance	1,000,000
Pledged securities	3,515,930
Total FDIC insurance and pledged securities	$4,515,930

Deposits in the amount of $3,515,930 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Town's name. Even though the pledged securities are considered uncollateralized, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand. The Town does not have a policy for custodial credit risk.

(5) Receivables

Receivables as of June 30, 2025 of $180,230 consist of the following:

	General	1969 Sales Tax	1982 Sales Tax	2% Set Aside	Utility	Total
Accounts	$ -	$ -	$ -	$ -	$131,403	$131,403
Allowance	-	-	-	-	(10,285)	(10,285)
Franchise taxes	33,942	-	-	-	-	33,942
Interest	-	2,815	2,391	839	17,135	23,180
Other	-	41	-	-	1,949	1,990
Totals	$ 33,942	$ 2,856	$ 2,391	$ 839	$140,202	$180,230

(6) Due from Other Governmental Units

Amounts due from other governmental units as of June 30, 2025 consisted of the following:

Fund Financial Statements:	
Governmental funds-	
St. Landry Parish School Board:	
Sales tax revenues	$ 84,130
State of Louisiana:	
Beer taxes	1,106
	$ 85,236
Governmental-wide financial statements:	
Total amount reported in-	
Governmental Funds, from above	$ 85,236

(7) Restricted Assets

Restricted assets in the business-type activities consisted of the following as of June 30, 2025:

Customers' deposits	$ 70,467

(8) Capital Assets

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

	Balance 7/1/2024	Additions	Deletions	Balance 6/30/2025
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 186,668	$ -	$ -	$ 186,668
Other capital assets:				
Buildings and improvements	1,282,106	-	-	1,282,106
Infrastructure	2,187,540	-	-	2,187,540
Equipment and vehicles	575,034	57,124	46,698	585,460
Totals	4,231,348	57,124	46,698	4,241,774
Less accumulated depreciation				
Buildings and improvements	608,126	51,066	-	659,192
Infrastructure	868,062	98,536	-	966,598
Equipment and vehicles	405,948	53,865	46,525	413,288
Total accumulated depreciation	1,882,136	203,467	46,525	2,039,078
Governmental activities, capital assets, net	$ 2,349,212	$ (146,343)	$ 173	$ 2,202,696
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 58,209	$ -	$ -	$ 58,209
Construction in progress	23,065	595,694	618,759	-
Other capital assets:				
Plant and equipment - gas	1,006,161	-	-	1,006,161
Plant and equipment - water system	4,103,990	682,054	4,153	4,781,891
Plant and equipment - sewer system	3,894,396	17,386	-	3,911,782
Auto and office equipment	427,532	97,385	26,430	498,487
Totals	9,513,353	1,392,519	649,342	10,256,530
Less accumulated depreciation				
Plant and equipment - gas	337,127	25,396	21,481	341,042
Plant and equipment - water system	1,919,983	152,229	4,153	2,068,059
Plant and equipment - sewer system	2,165,697	134,034	-	2,299,731
Auto and office equipment	732,326	17,634	-	749,960
Total accumulated depreciation	5,155,133	329,293	25,634	5,458,792
Business-type activities, capital assets, net	$ 4,358,220	$ 1,063,226	$ 623,708	$ 4,797,738

Depreciation expense was charged to governmental activities as follows:

General government	$ 67,351
Police	31,502
Streets	91,826
Park and recreation	12,788
Total depreciation expense	$ 203,467

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

Gas	$ 31,744
Water	159,988
Sewer	137,561
Total depreciation expense	$ 329,293

(9) Accounts and Other Payables

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

	Governmental Activities	Business-Type Activities	Total
Accounts	$ 25,229	1,968	$ 27,197
Accrued liabilities	-	7,854	7,854
Totals	$ 25,229	$ 9,822	$ 35,051

(10) Long-Term Liabilities

The following is a summary of compensated absences as of June 30, 2025:

	Governmental Activities	Business-Type Activities	Total
Long-term liabilities at July 1, 2024	$ 18,254	9,716	$ 27,970
Additions	5,399	3,406	8,805
Reductions	(11,645)	(936)	(12,581)
Long-term liabilities at June 30, 2025	$ 12,008	$ 12,186	$ 24,194

(11) Pension Plans

The Town participates in two cost-sharing defined benefit plans, each administered by separate public employee retirement systems. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all plans administered by these public employee retirement systems to the State Legislature. These plans are not closed to new entrants. Substantially all Town employees participate in one of the following retirement systems:

Plan Descriptions:

Municipal Employees' Retirement Systems (MERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:1731 and 11:1781. The Town participates in Plan A.

State of Louisiana - Municipal Police Employees' Retirement System (MPERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:2211 and 11:2220.

The systems' financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Interest income is recognized when earned.

A brief summary of eligibility and benefits of the plans are provided in the following table:

	MERS	MPERS
Final average salary	Final average compensation	Highest 36 months or 60 months[2]
Years of service required and/or age eligible for benefits	25 years of any age 10 years age 60 20 years any age[1]	25 years of any age 20 years age 55 12 years age 55 20 years any age[1] 30 years any age[3] 25 years age 55[3] 10 years age 60[3]
Benefit percent per years of service	3.00%	2.50 - 3.33%[4]

[1] With actuarial reduced benefits

[2] Membership commencing January 1, 2013

[3] Under non hazardous duty sub plan commencing January 1, 2013

[4] Membership commencing January 1, 2013 non hazardous duty plan 2.5%, hazardous duty plan 3.0%, membership prior to January 1, 2013 3.33%.

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. Contributions of employees, employers, and non-employer contributing entities effective for the year ended June 30, 2025 for the defined benefit pension plans in which the Town is a participating employer were as follows:

Plan	Active Member Contribution Percentage	Employer Contribution Percentage	Nonemployer Contributing Entities	Government Contributions
MERS	10.00%	28.00%	$ 12,842	$ 94,182
MPERS	10.00%	35.60%	25,344	107,800
Total			$ 38,186	$ 201,982

Net Pension Liability

The Town's net pension liability as of June 30, 2025, is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the Town is a participating employer. The Town's net pension liability for each plan was measured as of the plan's measurement date (June 30, 2024, for both plans) 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 proportionate share of the net pension liability for each of the plans in which it participates was based on the Town's required contributions in proportion to total required contributions for all employers. As of the most recent measurement date, the Town's proportion for each plan and the change in proportion from the prior measurement date were as follows:

Plan	Proportionate Share of Net Pension Liability	Proportionate Share (%) of Net Pension Liability	Increase/(Decrease) from Prior Measurement Date
MERS	$ 441,539	0.156908%	-0.011987%
MPERS	882,739	0.097433%	0.030194%
Total	$ 1,324,278		

Since the measurement date of the net pension liability was June 30, 2024, the net pension liability is based upon fiduciary net position for each of the plans as of those dates. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the Town's net pension liability is available in the separately issued plan financial reports for those fiscal years. The financial report for each plan may be accessed on their website as follows:

MERS	- http://www.mersla.com/
MPERS	- http://lampers.org/

Actuarial Assumptions

The following table provides information concerning actuarial assumptions used in the determination of the total pension liability for each of the defined benefit plans in which the primary government is a participating employer:

	MERS	MPERS
Date of experience study on which significant assumptions are based	7/1/2018 - 6/30/2023	7/1/2014 - 6/20/2019
Actuarial cost method	Entry Age Normal	Entry Age Normal
Investment rate of return	6.85%, net of investment expense	6.75%, net of investment expense
Expected remaining service lives	3	4
Inflation rate	2.5%	2.5%
Projected salary increases	4.4% - 9.5%	4.70% - 12.30%
Projected benefit changes including COLAs	None	None
Source of mortality assumptions	(1), (2), (3)	(4), (5), (6)

(1) PUBG-2010(B) Healthy Retiree Table set equal to 115% for males and females, each adjusted using MP2021 scales

(2) PubG-2010(B) Employee Table set equal to 115% for males and females, each adjusting using MP2021 scales

(3) PubNS-2010(B) Disabled Retiree Table set equal to 115% for males and females with the full generational MP2021 scale

(4) RP-2010 Safety Below-Median Healthy Retiree Table multiplied by 115% for males and 125% for females, each with full generational projection using the MP 2019 scale

(5) RP-2010 Safety Below-Median Employee Table multiplied by 115% for males and 125% for females, each with full generational projection using the MP 2019 scale

(6) RP-2010 Safety Disable Retiree Table multiplied by 105% for males and 115% for females, each with full generational projection using the MP 2019 scale

Cost of Living Adjustments

The pension plans in which the Town participates have the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis.

Pursuant to LRS 11:242(B), the power of the Board of Trustees of the statewide systems (MERS and MPERS) to grant a COLA is effective in calendar years that the legislature fails to grant a COLA, unless in the legislation granting a COLA, the legislature authorizes the Board of Trustees to provide an additional COLA. The authority to grant a COLA by the Board is subject to the funded status and interest earnings. The effects of the benefit changes made as a result of the COLAs is included in the measurement of the total pension liability as of the measurement date at which the ad hoc COLA was granted and the amount is known and reasonably estimable.

Long-term Rate of Return

For MERS and MPERS, the long-term expected rate of return for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses 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.

The target allocation and best estimates of arithmetic/geometric real rates of return for each major asset class are summarized for each plan in the following tables:

	MERS		MPERS	
Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	56.00%	2.44%	52.00%	3.14%
Equities	29.00%	1.26%	34.00%	1.07%
Alternative Investments	15.00%	0.65%	14.00%	1.03%
Totals	100%	4.35%	100%	5.24%
Inflation		2.50%		2.62%
Expected arithmetic nominal return		6.85%		7.86%

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended June 30, 2025, the Town recognized $10,096 and $284,868 in pension expense related to MERS and MPERS, respectively.

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

	Deferred Outflows of Resources		
	MERS	MPERS	Total
Difference between expected and actual experience	$ -	$ 47,794	$ 47,794
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	314,236	314,236
Net differences between projected and actual earnings on plan investments	5,948	24,540	30,488
Contributions subsequent to the measurement date	91,768	118,307	210,075
Total	$ 97,716	$504,877	$ 602,593

	Deferred Inflows of Resources		
	MERS	MPERS	Total
Difference between expected and actual experience	$ 14,618	$ 26,703	$ 41,321
Changes of assumptions	2,607	-	2,607
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	66,596	-	66,596
Total	$ 83,821	$ 26,703	$110,524

Deferred outflows of resources of $210,075 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending June 30, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Year Ended June 30,	MERS	MPERS	Total
2026	$ (68,249)	$ 135,235	$ 66,986
2027	16,495	205,767	222,262
2028	(15,157)	34,333	19,176
2029	(10,962)	(15,468)	(26,430)
	$ (77,873)	$ 359,867	$ 281,994

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net positions 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 discount rate used to measure the total pension liability for MERS was 6.85%, a decrease of .00% from the prior year. The discount rate used to measure the total pension liability for MPERS was 6.75%, a decrease of .00% from the prior year.

Sensitivity of the Government's Proportional Share of the Net Pension Liabilities to Changes in the Discount Rate:

The following presents the Government's proportionate shares of the net pension liabilities of the plans, calculated using their respective discount rates, as well as what the Government's proportionate shares of the net pension liabilities would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

		Net Pension Liability		
Plan	Current Discount Rate	1% Decrease	Current Discount Rate	1% Increase
MERS	6.850%	$ 664,892	$ 441,539	$ 252,990
MPERS	6.750%	1,311,287	882,739	524,985
Total		$ 1,976,179	$ 1,324,278	$ 777,975

Payables to the Pension Plans

At June 30, 2025, the Town's payables were $3,477 and $5,048 to MERS and MPERS, respectively, for the month of June 2024, which were the contractually required contributions.

(12) <u>On-Behalf Payment of Salaries</u>

The Town has recognized $35,080 as a revenue and expenditure for on-behalf salary payments made by the State of Louisiana.

(13) Departmental Information for the Enterprise Fund

The Town maintains one enterprise fund with four departments, which provides gas, water, sewerage and sanitation (on a limited basis) services. Departmental information for the year ended June 30, 2025 was as follows:

	Gas Department	Water Department	Sewerage Department	Sanitation Department	Total Enterprise Fund
Operating revenues	$ 438,359	$ 523,006	$ 236,804	$ 1,110	$1,199,279
Operating expenses:					
Depreciation expense	31,744	159,988	137,561	-	329,293
Other operating expenses	299,079	352,061	162,005	176	813,320
Total operating expenses	330,822	512,050	299,565	176	1,142,613
Operating income (loss)	$ 107,537	$ 10,956	$ (62,761)	$ 934	$ 56,666

(14) Compensation of Town Officials

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

Todd Meche, Mayor	$25,002
Josh Ross, Chief of Police	43,910
Aldermen:	
Jamie Huval	5,400
Debra Kidder	5,400
Kris Allen Brasseaux (resigned November 2024)	2,250
John Taylor	5,400
Suzanne Stelly (retired May 2025)	4,950
Virginia LeCompte (appointed December 2024)	3,150
Ryan Courville (appointed May 2025)	900
	$96,362

(15) Compensation, Reimbursements, Benefits, and Other Payments to Entity Head

Under Act 706, the Town of Arnaudville is required to disclose the compensation, reimbursements, benefits, and other payments made to the mayor, in which the payments are related to the position. The following is a schedule of payments made to Todd Meche, Mayor for the year ended June 30, 2025:

Salary	$ 25,002
Benefits - retirement	2,500
Reimbursements	341
	$ 27,843

(16) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2025:

	Interfund Receivables	Interfund Payables
Governmental Funds:		
General Fund	$ 882	$ 3,012
1969 Sales Tax Special Revenue Fund	-	882
1982 Sales Tax Special Revenue Fund	2,531	-
2% Set Aside Capital Projects Fund	-	76,475
Other Governmental Funds	99,250	-
Enterprise Fund:		
Utility Fund	76,956	99,250
Total	$ 179,619	$ 179,619

Transfers are recorded in the year in which they were budgeted. However, the amounts are not always paid in that same year; therefore, causing balances as noted above. These balances are expected to be paid within the next fiscal year.

B. Interfund Transfers

Interfund transfers consisted of the following at June 30, 2025:

	Interfund Transfers In	Interfund Transfers Out
Governmental Funds:		
General Fund	$ 300,000	$ 7,941
1982 Sales Tax Special Revenue Fund	-	300,000
Other Governmental Funds	-	26,435
Enterprise Fund:		
Utility Fund	34,376	-
Total	$ 334,376	$ 334,376

Transfers made to the General Fund are for the normal operations of the Town. The amounts each fund will transfer are calculated as part of the budget preparation process. These amounts reflect each fund's proportionate share of expenses paid out of the General Fund.

(17) Risk Management

The Town is exposed to risks of loss in the areas of general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(18) Pending Litigation

At June 30, 2025, the Town is not involved in lawsuits and is not aware of unasserted claims.

(19) Uncertainties Arising During and After Financial Statement Date

Management has evaluated subsequent events through September 10, 2025, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF ARNAUDVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 119,226	$ 133,676	$ 130,464	$ (3,212)
Licenses and permits	95,743	110,229	128,301	18,072
Intergovernmental	67,860	38,497	42,203	3,706
Fines and forfeits	47,100	20,270	21,130	860
Miscellaneous	44,290	50,264	55,083	4,819
Total revenues	374,219	352,936	377,181	24,245
Expenditures:				
Current-				
General government	327,224	356,711	352,501	4,210
Public safety - police	300,738	284,266	279,784	4,482
Streets	12,513	11,500	8,357	3,143
Community center	16,261	19,110	22,218	(3,108)
Parks and recreation	54,607	64,044	60,425	3,619
Capital outlay	80,159	15,299	3,972	11,327
Total expenditures	791,502	750,930	727,257	23,673
Deficiency of revenues over expenditures	(417,283)	(397,994)	(350,076)	47,918
Other financing sources (uses):				
Transfers in	200,000	300,000	300,000	-
Transfers out	-	-	(7,941)	(7,941)
Total other financing sources (uses)	200,000	300,000	292,059	(7,941)
Net change in fund balances	(217,283)	(97,994)	(58,017)	39,977
Fund balance, beginning	266,955	266,955	266,955	-
Fund balance, ending	$ 49,672	$ 168,961	$ 208,938	$ 39,977

See notes to required supplementary information.

TOWN OF ARNAUDVILLE, LOUISIANA
1969 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 420,000	$ 440,000	$ 466,578	$ 26,578
Intergovernmental	36,000	38,080	35,080	(3,000)
Miscellaneous	50,200	20,000	29,648	9,648
Total revenues	506,200	498,080	531,306	33,226
Expenditures:				
General government -				
Bank charges	150	150	-	150
Collection fees	3,700	4,100	3,696	404
Professional fees	18,190	22,950	22,115	835
Total general government	22,040	27,200	25,811	1,389
Public safety - police -				
Salaries	235,472	239,000	238,756	244
Supplemental pay	36,000	38,080	38,080	-
Worker's compensation	18,105	17,500	16,591	909
Payroll taxes and retirement	100,246	91,700	90,341	1,359
Miscellaneous	1,715	1,715	-	1,715
Total public safety	391,538	387,995	383,768	4,227
Capital outlay	-	51,664	53,152	(1,488)
Total expenditures	413,578	466,859	462,731	4,128
Excess of revenues over expenditures	92,622	31,221	68,575	37,354
Fund balance, beginning	731,769	731,769	731,769	-
Fund balance, ending	$ 824,391	$ 762,990	$ 800,344	$ 37,354

See notes to required supplementary information.

TOWN OF ARNAUDVILLE, LOUISIANA
1982 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 420,000	$440,000	$ 468,658	$ 28,658
Miscellaneous	22,805	22,805	28,664	5,859
Total revenues	442,805	462,805	497,322	34,517
Expenditures:				
General government -				
Collection fees	3,700	4,100	6,507	(2,407)
Professional fees	12,840	15,900	15,610	290
Total general government	16,845	20,305	22,117	(1,812)
Streets -				
Utilities - street lighting	27,880	32,810	30,202	2,608
Culture and recreation -				
Park utilities	4,025	4,025	3,755	270
Total expenditures	48,750	57,140	56,074	1,066
Excess of revenues over expenditures	394,055	405,665	441,248	35,583
Other financing uses:				
Transfers out	(200,000)	(300,000)	(300,000)	-
Net change in fund balance	194,055	105,665	141,248	35,583
Fund balance, beginning	873,648	873,648	873,648	-
Fund balance, ending	$1,067,703	$979,313	$1,014,896	$ 35,583

See notes to required supplementary information.

TOWN OF ARNAUDVILLE, LOUISIANA
2% Set Aside Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Miscellaneous	$ 90	$ 90	$ 9,575	$ 9,485
Expenditures:				
Capital outlay	-	-	-	-
Excess of revenues over expenditures	90	90	9,575	9,485
Other financing sources (uses):				
Transfers in	55,187	50,150	-	(50,150)
Transfers out	(76,475)	(76,475)	(26,435)	50,040
Total other financing sources (uses)	(21,288)	(26,325)	(26,435)	(110)
Net change in fund balance	(21,198)	(26,235)	(16,860)	9,375
Fund balance, beginning	211,919	211,919	211,919	-
Fund balance, ending	$ 190,721	$ 185,684	$195,059	$ 9,375

See notes to required supplementary information.

TOWN OF ARNAUDVILLE, LOUISIANA

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

Year Ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Municipal Employees' Retirement System:					
2016	$ 818,381	0.318877%	$ 364,059	224.8%	66.18%
2017	804,945	0.196390%	350,864	229.4%	62.11%
2018	647,405	0.154755%	281,051	230.4%	62.49%
2019	685,551	0.165565%	302,277	226.8%	63.94%
2020	778,058	0.186198%	344,688	225.7%	64.68%
2021	850,877	0.196807%	376,166	226.2%	64.52%
2022	529,442	0.190344%	376,916	140.5%	77.82%
2023	848,445	0.204285%	376,039	225.6%	67.87%
2024	617,288	0.168895%	340,600	181.2%	73.25%
2025	441,539	0.156908%	319,640	138.1%	80.10%
Municipal Police Employees' Retirement System:					
2016	339,524	0.054271%	115,860	293.0%	70.73%
2017	582,905	0.062191%	171,548	339.8%	66.04%
2018	516,204	0.059127%	174,955	295.0%	70.08%
2019	430,472	0.050919%	150,271	286.5%	71.89%
2020	307,605	0.033871%	105,028	292.9%	71.01%
2021	259,746	0.028104%	86,708	299.6%	70.94%
2022	182,193	0.034179%	104,271	174.7%	84.09%
2023	411,038	4.021200%	116,088	354.1%	70.80%
2024	710,378	0.067239%	227,780	311.9%	71.30%
2025	882,739	0.097433%	318,775	276.9%	75.80%

* The amounts presented have a measurement date of the previous fiscal year end.

This schedule is intended to show information for 10 years.

See notes to required supplementary information.

TOWN OF ARNAUDVILLE, LOUISIANA

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

Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
Municipal Employees' Retirement System:					
2016	$ 69,296	$ 69,296	$ -	$ 350,864	19.75%
2017	63,939	63,939	-	281,051	22.75%
2018	111,142	111,142	-	302,277	36.77%
2019	89,619	89,619	-	344,688	26.00%
2020	104,386	104,386	-	376,166	27.75%
2021	111,142	111,142	-	376,916	29.49%
2022	114,749	114,749	-	376,039	30.52%
2023	100,285	100,285	-	340,600	29.44%
2024	94,182	94,182	-	319,640	29.47%
2025	91,768	91,768	-	327,402	28.03%
Municipal Police Employees' Retirement System:					
2016	50,607	50,607	-	171,548	29.50%
2017	55,548	55,548	-	174,955	31.75%
2018	46,208	46,208	-	150,271	30.75%
2019	33,872	33,872	-	105,028	32.25%
2020	28,180	28,180	-	86,708	32.50%
2021	35,192	35,192	-	104,271	33.75%
2022	37,401	37,401	-	116,088	32.22%
2023	71,224	71,224	-	227,780	31.27%
2024	107,800	107,800	-	318,775	33.82%
2025	118,307	118,307	-	330,717	35.77%

This schedule is intended to show information for 10 years.

See notes to required supplementary information.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Required Supplementary Information
For the Year Ended June 30, 2025

(1) Budget and Budgetary Accounting

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

1. The Town Clerk submits, no later than 15 days prior to the beginning of each fiscal year, to the Mayor and Board of Aldermen a proposed operating budget.

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

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

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

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

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

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

(2) Pension Plans

Changes of Assumptions - Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plans. These assumptions include the rate of investment return, mortality of plan members, rate of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plans.

(3) Excess of Expenditures Over Appropriations

For the year ended June 30, 2025, the following funds had actual expenditures over appropriations, at the functional level, as follows:

Fund and Function	Budget	Actual	Excess
General Fund:			
Community center	19,110	22,218	(3,108)
1982 Sales Tax Special Revenue Fund:			
General government	20,305	22,117	(1,812)

OTHER SUPPLEMENTARY INFORMATION

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Net Position
June 30, 2025
With Comparative Totals for June 30, 2024

	2025			
	Governmental Activities	Business-Type Activities	Total	2024 Total
ASSETS				
Current assets:				
Cash and interest-bearing demand deposits	$ 1,551,202	$ 1,140,189	$ 2,691,391	$ 2,530,684
Interest-bearing time deposits	549,229	1,112,597	1,661,826	1,594,324
Receivables, net	40,028	140,202	180,230	180,004
Internal balances	22,294	(22,294)	-	-
Due from other governmental units	85,236	-	85,236	78,503
Prepaid items	10,377	10,848	21,225	38,005
Total current assets	2,258,366	2,381,542	4,639,908	4,421,520
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing demand deposits	-	70,467	70,467	68,642
Capital assets, net	2,202,696	4,797,738	7,000,434	6,707,432
Total noncurrent assets	2,202,696	4,868,205	7,070,901	6,776,074
Total assets	4,461,062	7,249,747	11,710,809	11,197,594
DEFERRED OUTFLOWS OF RESOURCES	537,704	64,889	602,593	629,097
LIABILITIES				
Current liabilities:				
Accounts, salaries and other payables	25,229	9,822	35,051	118,372
Customers' deposits payable	-	70,467	70,467	68,642
Total current liabilities	25,229	80,289	105,518	187,014
Noncurrent liabilities:				
Compensated abscences	12,008	12,186	24,194	27,970
Net pension liability	1,031,072	293,206	1,324,278	1,327,666
Total noncurrent liabilities	1,043,080	305,392	1,348,472	1,355,636
Total liabilities	1,068,309	385,681	1,453,990	1,542,650
DEFERRED INFLOWS OF RESOURCES	54,862	55,662	110,524	86,937
NET POSITION				
Net investment in capital assets	2,202,696	4,797,738	7,000,434	6,661,932
Restricted for sales tax dedications	1,815,240	-	1,815,240	1,605,417
Unrestricted (deficit)	(142,341)	2,075,555	1,933,214	1,929,755
Total net position	$ 3,875,595	$ 6,873,293	$ 10,748,888	$ 10,197,104

TOWN OF ARNAUDVILLE, LOUISIANA

Balance Sheet
General and Special Revenue Funds
June 30, 2025
With Comparative Amounts for June 30, 2024

	General		1969 Sales Tax Special Revenue		1982 Sales Tax Special Revenue	
	2025	2024	2025	2024	2025	2024
ASSETS						
Cash and interest-bearing demand deposits	$ 178,822	$ 243,746	$ 514,551	$ 469,585	$ 843,929	$ 707,582
Interest-bearing time deposits	-	-	249,434	239,350	128,350	123,328
Receivables:						
Other	33,942	25,258	41	41	-	-
Interest	-	-	2,815	3,251	2,391	2,540
Due from other governmental units	1,106	2,679	42,065	37,912	42,065	37,912
Due from other funds	882	-	-	-	2,531	3,080
Prepaid items	10,377	17,983	-	-	-	-
Total assets	$ 225,129	$ 289,666	$ 808,906	$ 750,139	$ 1,019,266	$ 874,442
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 13,179	$ 22,711	$ 7,680	$ 15,290	$ 4,370	$ 794
Due to other funds	3,012	-	882	3,080	-	-
Total liabilities	16,191	22,711	8,562	18,370	4,370	794
Fund balances -						
Nonspendable (prepaid items)	10,377	17,983	-	-	-	-
Restricted:						
Sales tax dedications	-	-	800,344	731,769	1,014,896	873,648
Unassigned	198,561	248,972	-	-	-	-
Total fund balances	208,938	266,955	800,344	731,769	1,014,896	873,648
Total liabilities and fund balances	$ 225,129	$ 289,666	$ 808,906	$ 750,139	$ 1,019,266	$ 874,442

TOWN OF ARNAUDVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Budget			Variance with Final Budget Positive	2024
	Original	Final	Actual	(Negative)	Actual
Taxes:					
Ad valorem	$ 44,052	$ 46,508	$ 48,755	$ 2,247	$ 44,867
Payment in lieu of taxes	4,452	7,470	7,470	-	4,452
Franchise - electric, TV, etc.	70,722	79,698	74,239	(5,459)	69,638
Total taxes	119,226	133,676	130,464	(3,212)	118,957
Licenses and permits:					
Occupational licenses	95,743	74,420	46,357	(28,063)	122,135
LAMATS - Insurance licenses	-	35,809	81,944	46,135	-
Total licenses and permits	95,743	110,229	128,301	18,072	122,135
Intergovernmental:					
Federal grant - ARPA	29,800	-	-	-	64,828
State of Louisiana -					
Highway maintenance revenue	2,400	2,150	4,711	2,561	4,488
Beer taxes	4,435	5,533	5,256	(277)	3,338
Poker machines	31,225	30,814	32,236	1,422	32,536
Total intergovernmental	67,860	38,497	42,203	3,706	105,190
Fines and forfeits	47,100	20,270	21,130	860	42,774
Miscellaneous:					
Rent income	16,450	24,613	24,746	133	17,858
Recreation department income	12,840	20,630	26,035	5,405	24,865
Gain on sale of assets	-	-	-	-	39,983
Miscellaneous	15,000	5,021	4,302	(719)	1,055
Total miscellaneous	44,290	50,264	55,083	4,819	83,761
Total revenues	$374,219	$ 352,936	$377,181	$ (21,890)	$472,817

TOWN OF ARNAUDVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Actual			Variance with Final Budget Positive	2024
	Original	Final	Actual	(Negative)	Actual
Current:					
General government -					
Council salaries	$ 27,000	$ 27,000	$ 27,450	$ (450)	$ 25,200
Mayor's compensation	25,002	25,002	25,002	-	25,000
Clerk and other salaries	65,982	75,998	75,556	442	61,605
Payroll taxes and retirement	25,623	26,000	25,460	540	26,171
Worker's compensation insurance	630	600	523	77	401
Insurance	69,113	61,670	50,615	11,055	56,414
Utilities	11,480	11,480	12,843	(1,363)	11,840
Telephone	12,800	11,000	11,303	(303)	12,132
Professional fees	47,730	59,150	58,320	830	47,345
Computer related fees and software	2,750	14,000	14,905	(905)	4,530
Office supplies	6,100	6,150	6,063	87	6,590
Meetings and conventions	2,600	3,150	4,101	(951)	5,013
Travel	1,791	1,791	1,475	316	1,718
Dues	2,150	3,700	3,246	454	2,001
Tax roll and assessor's fee	2,863	3,625	3,023	602	2,863
Coroner/medical	1,600	2,250	2,600	(350)	1,700
Repairs and maintenance	5,055	6,700	11,868	(5,168)	7,766
Miscellaneous	12,950	13,440	14,667	(1,227)	16,000
Postage	4,005	4,005	3,481	524	4,156
Total general government	327,224	356,711	352,501	4,210	318,445
Public safety - police -					
Salaries	135,435	150,000	146,287	3,713	125,783
Payroll taxes and retirement	49,395	46,200	43,886	2,314	40,854
Worker's compensation insurance	767	700	610	90	656
Insurance	1,194	1,065	934	131	2,393
Supplies	31,113	6,750	8,518	(1,768)	6,912
Prisoners meals and medical	1,000	1,000	333	667	402
Uniforms	2,500	1,500	7,052	(5,552)	2,252
Auto expenditures	42,078	50,750	47,785	2,965	54,331
Telephone	10,540	11,500	11,464	36	10,726
Repairs and maintenance	3,500	3,500	3,876	(376)	4,680
Miscellaneous	17,016	9,101	7,559	1,542	7,197
Equipment	1,200	1,200	-	1,200	-
Training	5,000	1,000	1,480	(480)	-
Total public safety - police	300,738	284,266	279,784	4,482	256,186

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Budget			Variance with Final Budget Positive	2024
	Original	Final	Actual	(Negative)	Actual
Streets -					
Supplies	2,513	4,000	2,667	1,333	3,555
Equipment and street maintenance	10,000	7,500	5,690	1,810	7,660
Miscellaneous	-	-	-	-	96
Total streets	12,513	11,500	8,357	3,143	11,311
Community center -					
Supplies	760	760	363	397	581
Repairs and maintenance	3,200	5,000	8,736	(3,736)	3,270
Utilities	10,800	12,750	12,808	(58)	10,956
Miscellaneous	1,501	600	311	289	1,877
Total community center	16,261	19,110	22,218	(3,108)	16,684
Parks and recreation -					
Coach's salary	15,024	15,024	14,956	68	13,932
Payroll taxes	1,102	1,200	1,135	65	1,102
Worker's compensation insurance	790	790	712	78	763
Repairs and maintenance	11,071	12,500	14,888	(2,388)	13,322
Uniforms and supplies	19,285	26,620	25,239	1,381	14,719
Equipment	2,470	4,400	2,120	2,280	1,105
Insurance	2,185	1,950	1,375	575	420
Miscellaneous	2,680	1,560	-	1,560	1,215
Total parks and recreation	54,607	64,044	60,425	3,619	46,578
Capital outlay:					
General government -					
Equipment	7,000	-	-	-	26,676
Police -					
Equipment	9,000	1,361	-	1,361	5,143
Vehicles	-	-	-	-	11,371
Streets -					
Drainage improvements	59,159	7,941	-	7,941	-
Parks and recreation -					
Park improvements	-	-	3,972	(3,972)	-
Infrastructure	5,000	5,997	-	5,997	-
Total capital outlay	80,159	15,299	3,972	11,327	43,190
Total expenditures	$ 791,502	$ 750,930	$ 727,257	$ 23,673	$ 692,394

TOWN OF ARNAUDVILLE, LOUISIANA
1969 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Budget			Variance with Final Budget Positive	2024
	Original	Final	Actual	(Negative)	Actual
Revenues:					
Taxes	$ 420,000	$ 440,000	$ 466,578	$ 26,578	$ 437,324
Intergovernmental	36,000	38,080	35,080	(3,000)	30,450
Miscellaneous	50,200	20,000	29,648	9,648	7,085
Total revenues	506,200	498,080	531,306	33,226	474,859
Expenditures:					
General government -					
Bank charges	150	150	-	150	-
Collection fees	3,700	4,100	3,696	404	3,388
Professional fees	18,190	22,950	22,115	835	15,604
Total general government	22,040	27,200	25,811	1,389	18,992
Public safety -					
Police					
Salaries	235,472	239,000	238,756	244	211,797
Supplemental pay	36,000	38,080	38,080	-	30,450
Worker's compensation	18,105	17,500	16,591	909	14,356
Payroll taxes and retirement	100,246	91,700	90,341	1,359	80,900
Miscellaneous	1,715	1,715	-	1,715	1,284
Total public safety	391,538	387,995	383,768	4,227	338,787
Capital outlay	80,200	51,664	53,152	(1,488)	-
Total expenditures	493,778	466,859	462,731	4,128	357,779
Excess of revenues over expenditures	12,422	31,221	68,575	37,354	117,080
Fund balance, beginning	731,769	731,769	731,769	-	614,689
Fund balance, ending	$ 744,191	$ 762,990	$ 800,344	$ 37,354	$ 731,769

TOWN OF ARNAUDVILLE, LOUISIANA
1982 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Budget			Variance with Final Budget Positive	2024
	Original	Final	Actual	(Negative)	Actual
Revenues:					
Taxes	$ 420,000	$ 440,000	$ 468,658	$ 28,658	$ 437,313
Miscellaneous	22,805	22,805	28,664	5,859	26,198
Total revenues	442,805	462,805	497,322	34,517	463,511
Expenditures:					
General government -					
Bank charges	305	305	-	305	227
Collection fees	3,700	4,100	6,507	(2,407)	3,388
Professional fees	12,840	15,900	15,610	290	14,428
Total general government	16,845	20,305	22,117	(1,812)	18,043
Streets	27,880	32,810	30,202	2,608	31,469
Culture and recreation	4,025	4,025	3,755	270	4,006
Capital outlay	-	-	-	-	164,575
Total expenditures	48,750	57,140	56,074	1,066	218,093
Excess of revenues over expenditures	394,055	405,665	441,248	35,583	245,418
Other financing sources (uses):					
Transfers out	(200,000)	(300,000)	(300,000)	-	(200,000)
Net change in fund balance	194,055	105,665	141,248	35,583	45,418
Fund balance, beginning	873,648	873,648	873,648	-	828,230
Fund balance, ending	$ 1,067,703	$ 979,313	$1,014,896	$ 35,583	$ 873,648

TOWN OF ARNAUDVILLE, LOUISIANA
Street Improvement Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Budget			Variance with Final Budget Positive	2024
	Original	Final	Actual	(Negative)	Actual
Revenues:					
Miscellaneous	$ 100	$ 100	$ 69	$ (31)	$ 69
Expenditures	-	-	-	-	-
Excess of revenues over expenditures	100	100	69	(31)	69
Fund balance, beginning	13,828	13,828	13,828	-	13,759
Fund balance, ending	$ 13,928	$ 13,928	$ 13,897	$ (31)	$ 13,828

TOWN OF ARNAUDVILLE, LOUISIANA
2% Set Aside Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Budget			Variance with Final Budget Positive	2024
	Original	Final	Actual	(Negative)	Actual
Revenues:					
Miscellaneous	$ 90	$ 90	$ 9,575	$ 9,485	$ 2,775
Expenditures:					
Capital outlay	-	-	-	-	-
Excess of revenues over expenditures	90	90	9,575	9,485	2,775
Other financing sources (uses):					
Transfers in	55,187	50,150	-	(50,150)	56,812
Transfers out	(76,475)	(76,475)	(26,435)	50,040	-
Total other financing sources (uses)	(21,288)	(26,325)	(26,435)	(110)	56,812
Net change in fund balance	(21,198)	(26,235)	(16,860)	9,375	59,587
Fund balance, beginning	211,919	211,919	211,919	-	152,332
Fund balance, ending	$ 190,721	$ 185,684	$195,059	$ 9,375	$211,919

TOWN OF ARNAUDVILLE, LOUISIANA
LCDBG Grant Projects Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Budget			Variance with Final Budget Positive	
	Original	Final	Actual	(Negative)	2024
Revenues	$ -	$ -	$ -	$ -	$ -
Expenditures	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance, beginning	3	3	3	-	3
Fund balance, ending	$ 3	$ 3	$ 3	$ -	$ 3

TOWN OF ARNAUDVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Statement of Revenues and Expenses
Years Ended June 30, 2025 and 2024

	Totals		Gas	
	2025	2024	2025	2024
Operating revenues:				
Charges for services -				
Billings to customers	$ 1,110,305	$ 1,080,204	$ 375,088	$ 346,628
Delinquent charges	30,735	30,735	15,089	15,484
Other fees	58,239	22,826	48,182	6,270
Total operating revenues	1,199,279	1,133,765	438,359	368,382
Operating expenses:				
Salaries	258,873	238,860	26,620	40,844
Payroll taxes and retirement	13,620	45,368	2,020	5,758
Gas purchases	77,396	64,078	77,396	64,078
Supplies, repairs and maintenance	269,917	228,596	87,272	82,591
Professional fees	41,629	22,370	3,903	706
Telephone	6,301	6,849	5,051	5,432
Depreciation	329,293	323,229	17,634	17,563
Insurance	73,047	97,172	27,747	31,399
Utilities	40,690	37,089	2,150	2,707
Fire department expense	3,072	3,328	-	-
Office supplies	15,729	14,996	-	-
Miscellaneous	13,046	12,197	11,512	10,438
Allocation of administrative expense	-	-	69,517	63,397
Total operating expenses	1,142,613	1,094,132	330,822	324,913
Operating income (loss)	56,666	39,633	$ 107,537	$ 43,469
Nonoperating revenues (expenses):				
Non-employer pension contribution	8,528	8,398		
Interest income	49,932	35,736		
Ad valorem taxes/Housing Authority in lieu of taxes	56,385	53,918		
Gain (loss) on sale of asset	(4,949)	-		
Total nonoperating revenues (expenses)	109,896	98,052		
Income (loss) before contributions and transfers	166,562	137,685		
Capital contributions	463,964	18,569		
Transfers:				
Transfer from General Fund	7,941	386,308		
Transfer to 2% Set Aside Fund	26,435	(56,812)		
Total transfers	34,376	329,496		
Change in net position	664,902	485,750		
Net position, beginning	6,208,391	5,722,641		
Net position, ending	$ 6,873,293	$ 6,208,391		

Water		Sewer		Sanitation		Administration	
2025	2024	2025	2024	2025	2024	2025	2024
$ 502,884	$ 511,508	$ 231,885	$ 221,412	$ 448	$ 656	$ -	$ -
10,984	10,803	4,650	4,438	12	10	-	-
9,138	15,906	269	-	650	650	-	-
523,006	538,217	236,804	225,850	1,110	1,316	-	-
106,432	90,160	44,726	39,314	-	-	81,095	68,542
5,249	18,108	2,068	7,675	-	-	4,283	13,827
-	-	-	-	-	-	-	-
122,428	84,396	59,106	60,454	-	-	1,111	1,155
3,903	923	3,903	1,530	-	-	29,920	19,211
-	-	56	-	-	-	1,194	1,417
152,229	149,099	134,034	131,707	-	-	25,396	24,860
18,657	19,916	9,175	8,530	-	-	17,468	37,327
16,689	14,751	8,722	7,465	-	-	13,129	12,166
3,072	3,328	-	-	-	-	-	-
-	-	-	-	-	-	15,729	14,996
450	113	222	30	-	-	862	1,616
82,941	92,625	37,553	38,868	176	226	(190,187)	(195,117)
512,050	473,419	299,565	295,573	176	226	-	-
$ 10,956	$ 64,798	$ (62,761)	$ (69,723)	$ 934	$ 1,090	$ -	$ -

TOWN OF ARNAUDVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
June 30, 2025 and 2024

Records maintained by the Town indicated the following number of customers were being serviced during the months of June 30, 2025 and 2024:

Department	2025	2024
Gas (metered)	637	631
Water (metered)	1,295	1,278
Sewer	566	560
Sanitation	1	28

TOWN OF ARNAUDVILLE
Justice System Funding Schedule - Collecting/Disbursing Entity
Year Ended June 30, 2025

	First Six Month Period Ended 12/31/2024	Second Six Month Period Ended 6/30/2025
Beginning Balance of Amounts Collected	$ 131	$ 173
Add: Collections -		
Bond Fees	300	-
Criminal Court Costs/Fees	9,081	13,302
Subtotal Collections	9,381	13,302
Less: Disbursements to Governments and Nonprofits -		
Acadiana Criminalistics Lab - Criminal Fines	40	150
Louisiana Commission on Law Enforcement - Criminal Fines	165	298
Louisiana State Treasurer CMIS - Criminal Fines	207	325
Louisiana Supreme Court - Criminal Fines	35	55
LA Dept of Health & Hospitals THI/SCI - Criminal Fines	170	290
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecing Agency -		
Criminal Fines Other	8,722	12,192
Subtotal Disbursements/Retainage	9,339	13,310
Ending Balance of Amounts Collected but not Disbursed/Retained	$ 173	$ 165

INTERNAL CONTROL,

COMPLIANCE, AND

OTHER MATTERS

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

The Honorable Todd Meche, Mayor
and members of the Board of Aldermen
Town of Arnaudville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Governmental 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 Arnaudville, Louisiana (Town), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated September 10, 2025.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2025-001 and 2025-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

Town of Arnaudville, Louisiana's Response to Findings

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

Purpose of this Report

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 10, 2025

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

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

A. Internal Control Over Financial Reporting

2025-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

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

Criteria: AU-C §315.04, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, defines internal control as follows:

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

Cause: The cause of the condition is the fact that the Town does not have a sufficient number of employees performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

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

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

Management's Corrective Action Plan: The Town has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. The Mayor and Town Clerk implemented policies and procedures where the Mayor or Town Clerk reviews and approves reports and reconciliations done by the employees in the accounting department.

2025-002 Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: 2022

Condition: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities in the financial statement preparation process.

Criteria: The Town's internal control over financial reporting includes those policies and procedures that pertain to its ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statement, including the ability of its management and staff to detect potential misstatements that may exist in the financial statements and related disclosures.

Cause: The Town does not have personnel with the necessary qualifications to perform this function.

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

Recommendation: The Town should either hire the personnel needed or outsource this task to ensure the financial statements and transactions are in accordance with GAAP.

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

B. Compliance Findings

There are no findings to report under this section.

Part II: Prior Year Findings

A. Internal Control Over Financial Reporting

2024-001 Inadequate Segregation of Functions

Fiscal year finding initially occurred: Unknown

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

Recommendation: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

Current Status: Unresolved. See item 2025-001.

2024-002 Application of Generally Accepted Accounting Procedures (GAAP)

Fiscal year finding initially occurred: 2022

Condition: Management and staff lack the expertise and/or experience in the selections and application of generally accepted accounting principles, as applicable to government entities in the financial statement preparation process.

Recommendation: The Town should either hire the personnel needed or outsource this task to ensure the financial statements and transactions are in accordance with GAAP.

Current Status: Unresolved. See item 2025-002.

B. Compliance Findings

2024-003 Failure to Appraise Surplus Property

Fiscal year finding initially occurred: 2024

Condition: The Town did not obtain a proper appraisal for abandoned real property that was put up for sealed bids by ordinance.

Recommendation: The Town should obtain proper appraisals for property that is deemed surplus prior to advertising for bids.

Current Status: Resolved.

TOWN OF ARNAUDVILLE
Arnaudville, Louisiana

Agreed-Upon Procedures Report

Year Ended June 30, 2025

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Town of Arnaudville
and the Louisiana Legislative Auditor

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

1. Obtain and inspect the Town's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the Town's operations:

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

   b) ***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.

   c) ***Disbursements***, including processing, reviewing, and approving.

   d) ***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 custodial fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, custodial fund forfeiture monies confirmation).

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

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

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

h) ***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).

i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 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.

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

k) ***Information Technology Disaster Recovery/Business Continuity,*** including (1) identification of critical data and frequency of data backups, (2) storage of backups in 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.

l) ***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.

Board or Finance Committee

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

2. 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:

   a) 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.

   b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

   c) 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, observed 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.

   d) Observe 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.

Bank Reconciliations

3. Obtain a listing of the entity's 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 selected accounts, and observe that:

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

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

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

Collections (excluding electronic fund transfers)

4. 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).

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

   a) Employees that are responsible for cash collections do not share cash drawers/registers.

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

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

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

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

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

   a) Observe that receipts are sequentially pre-numbered.

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

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

   d) 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).

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

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

8. 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).

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

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

   c) 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.

   d) 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.

   e) 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.

10. For each location selected under #8 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:

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

    b) Observe that the disbursement documentation includes evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #9, as applicable.

11. Using the entity's main operating account and the month selected in "Bank Reconciliations" procedure #3, 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.

b) Approved by the required number of authorized signers per the entity's policy.

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

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

12. 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.

13. 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:

    a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

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

14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, describe the nature of the transaction and noted whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

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

    a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

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

    c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1g).

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

Contracts

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

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

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

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

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

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

Payroll and Personnel

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

17. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and we agreed paid salaries to authorized salaries/pay rates in the personnel files.

18. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:

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

    b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

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

    d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

19. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, 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 or officials' cumulate leave records, agree the pay rates to the employee/officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

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

Ethics

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

21. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
    a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
    b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

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

Debt Service

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

23. 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 State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

24. 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).

Fraud Notice

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

25. 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 Town 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.

26. 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.

Information Technology Disaster Recovery/Business Continuity

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

27. 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 no written documentation, inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

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

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

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19 and observe evidence that the selected terminated employees have been removed or disabled from the network.

29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, obtain cybersecurity training documentation from management and observe that the documentation demonstrated that the 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.

Prevention of Sexual Harassment

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

30. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe 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.

31. Observe 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).

32. 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 it includes the applicable requirements of R.S. 42:344:

    a) Number and percentage of public servants in the agency who have completed the training requirements;

    b) Number of sexual harassment complaints received by the agency;

    c) Number of complaints which resulted in a finding that sexual harassment occurred;

d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

e) Amount of time it took to resolve each complaint.

Exceptions:

No exceptions were found as a result of applying the procedures listed above except:

Bank Reconciliation

1. There was no evidence of management researching outstanding items greater than twelve months on two of the bank reconciliations.

Collections

2. Two collections did not have supporting documentation.

Non-Payroll Disbursements

3. Multiple disbursement's documentation did not include evidence of segregation of duties.

4. Multiple disbursements did not include evidence that deliverables were received.

Management's Response:

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

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

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 10, 2025