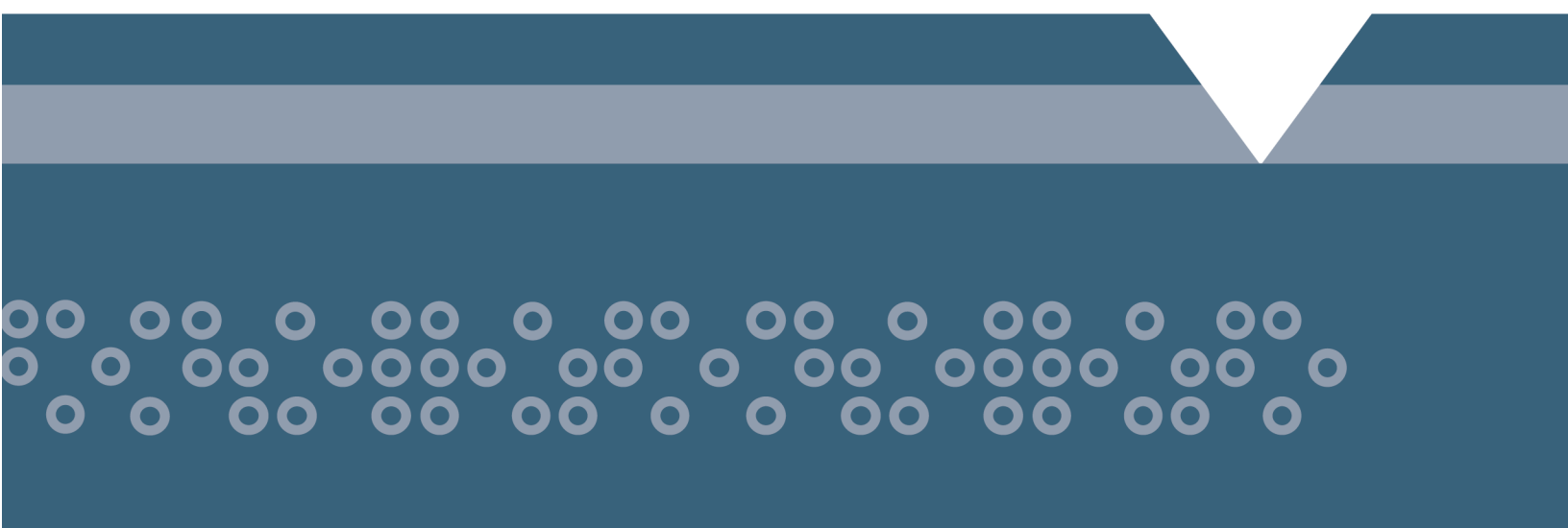


Town of Farmerville
Farmerville, Louisiana

Annual Financial Statements
June 30, 2025



TOWN OF FARMERVILLE
FOR THE YEAR ENDED JUNE 30, 2025
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PREMIER PLAZA
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Honorable John Crow, Mayor
Members of the Board of Alderman
Town of Farmerville, Louisiana

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 judgement made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-9, budgetary comparison schedules on pages 56-60, schedule of changes in net OPEB liability (asset) and related ratios on page 61, schedule of town's proportionate share of net pension liability on pages 62-63, and schedule of town's contributions on pages 64-65 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied

certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head, schedule of compensation paid to council members, and justice system funding schedule – collecting/dispersing entity are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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, this information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2026, on our consideration of the Town's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Heard, McElroy & Vestal, LLC

Monroe, Louisiana
April 30, 2026

REQUIRED SUPPLEMENTARY INFORMATION (PART A)

TOWN OF FARMERVILLE, LOUISIANA
FARMERVILLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

The management of the Town of Farmerville, Louisiana offers readers of the Town of Farmerville, Louisiana's (hereafter referred to as the Town) financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements. The intent of this discussion and analysis is to look at the Town's financial performance as a whole.

Financial Highlights

The following exhibits some of the more important highlights from the government-wide financial statements for the year ended June 30, 2025.

- The assets of the Town of Farmerville, on a government-wide basis, exceeded its liabilities at the close of the fiscal year by \$23,540,757 (net position).
- At the end of the current fiscal year, the Town of Farmerville's governmental funds reported combined ending fund balances of \$5,775,683.
- The general fund reported a deficit of \$31,034 before transfers and a surplus of \$290,762 after transfers.
- The Town completed several projects that included improvements to infrastructure. The additions and improvements to the Town's capital assets totaled \$2,385,480 in the current year.
- The Town's bonded debt had a net decrease of \$379,627. Total bonded debt as June 30, 2025 was \$5,998,420.

Overview of the Financial Statements

The Town's basic financial statements consist of government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information, which is in addition to the basic financial statements.

Government-Wide Financial Statements

The statement of net position presents information on all the Town's assets and liabilities, with the difference between the above categories reported as net position. The statement of activities shows how the government's net position changed during this fiscal year. All changes in net position are reported as soon as the underlying event occurs regardless of the timing of the related cash flows.

Each of these reports is broken down between governmental activities and business-type activities. Governmental activities normally are those activities that are supported by taxes, licenses, permits, fines, and intergovernmental revenues. Business-type activities are functions that are intended to support their costs through charges for services or fees such as the water and sewer departments.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Town uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Town's most significant funds, rather than the Town as a whole.

TOWN OF FARMERVILLE, LOUISIANA
FARMERVILLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

The Town uses two (2) fund categories, governmental funds and proprietary funds. It is important to note that these fund categories use different accounting approaches and should be interpreted differently.

Governmental Funds - The services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources at the end of the year. Such information may be useful in evaluating the Town's near-term financing requirements. This approach is known as using the flow of financial resources measurement focus and the modified accrual basis of accounting. These governmental fund financial statements provide a detailed short-term view of the Town's finances and assist in determining whether there will be adequate resources available to meet the current needs of the Town.

Since focus of the governmental funds financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statement. Users may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statements of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities. These reconciliations are presented immediately following each governmental fund financial statement.

The Town has four (4) governmental funds, of which all are considered major funds and are presented in separate columns. The governmental funds are as follows: General Fund, Sales Tax Fund, Recreation Sales Tax Fund, and the ARPA fund.

Proprietary Funds – The proprietary funds are used to show activities that operate more like those of commercial enterprises. Since these funds charge fees for services to outside customers, including local governments, they are known as enterprise funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. There is no reconciliation needed between the government-wide financial statements for the business-type activities and the proprietary fund financial statements.

The Town has two enterprise funds (Water and Sewer Funds), which are considered major proprietary funds for presentation purposes.

Notes to the Financial Statements

The notes to the financial statements have additional information presented that is essential to a full understanding of the data provided in the government-wide financial statements. The notes are found on pages 22-55.

TOWN OF FARMERVILLE, LOUISIANA
FARMERVILLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's budget presentation and other reports noted in the table of contents. Budgetary comparison statements are included as required supplementary information for the General Fund, the Sales Tax Fund, the Recreation fund, and the ARPA fund. These statements and related notes are presented in 50 through 54 and compare actual revenues and expenditures to the original budget and amended budget figures. The original budget was adopted in June 2024, and it was amended in June 2025. In the general fund, the difference between the original expenditure budget and the actual amount of expenditures was an increase of \$213,638. Actual total revenues were \$238,896 more than the original budget.

Financial Analysis of the Town as a Whole

The Town's combined net position for the 2024-2025 fiscal year increased by \$918,179. The table below shows the statements of net position for the years ending June 30, 2025, and 2024. The table also shows the net position for governmental activities and business-type activities and combines them into the total primary government.

The following table reflects the condensed statement of net position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
<u>Assets</u>						
Current Assets	\$ 5,889,826	\$ 5,574,049	\$ 1,545,300	\$ 1,935,713	\$ 7,435,126	\$ 7,509,762
Capital Assets, Net	13,189,508	13,138,232	12,074,140	11,147,421	25,263,648	24,285,653
Total Assets	<u>19,079,334</u>	<u>18,712,281</u>	<u>13,619,440</u>	<u>13,083,134</u>	<u>32,698,774</u>	<u>31,795,415</u>
<u>Deferred Outflows of Resources</u>						
	724,925	903,140	183,410	226,568	908,335	1,129,708
<u>Liabilities</u>						
Current Liabilities	734,097	602,120	509,245	740,157	1,243,342	1,342,277
Non-Current Liabilities	5,736,314	6,441,392	2,835,795	2,745,990	8,572,109	9,187,382
Total liabilities	<u>6,470,411</u>	<u>7,043,512</u>	<u>3,345,040</u>	<u>3,486,147</u>	<u>9,815,451</u>	<u>10,529,659</u>
<u>Deferred Inflows of Resources</u>						
	227,042	143,717	23,859	35,947	250,901	179,664
<u>Net Position</u>						
Net Investment						
in Capital Assets	8,921,554	8,704,462	9,972,167	9,066,591	18,893,721	17,771,053
Restricted	-	-	760,792	830,522	760,792	830,522
Unrestricted	4,185,252	3,723,730	(299,008)	(109,505)	3,886,244	3,614,225
Total Net Position	<u>\$ 13,106,806</u>	<u>\$ 12,428,192</u>	<u>\$ 10,433,951</u>	<u>\$ 9,787,608</u>	<u>\$ 23,540,757</u>	<u>\$ 22,215,800</u>

The Town's governmental activities increased the net position by \$678,614. The total business-type activities increased the Town's net position by \$646,363.

TOWN OF FARMERVILLE, LOUISIANA
FARMERVILLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

Statement of Activities:

The following table shows the revenues and expenses of the governmental and business-type activities:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
<u>Revenues</u>						
Program Revenues						
Charges for Services	\$ 650,226	\$ 633,736	\$ 3,014,058	\$ 2,241,969	\$ 3,664,284	\$ 2,875,705
Operating Grants and Contributions	-	-	-	-	-	-
Capital Grants and Contributions	-	774,819	448,188	790,605	448,188	1,565,424
General Revenues						
Property Taxes	934,686	809,483	-	-	934,686	809,483
Sales Taxes	3,105,222	3,025,444	-	-	3,105,222	3,025,444
Intergovernmental	633,371	135,228	-	-	633,371	135,228
Fines and Forfeitures	49,415	65,187	-	-	49,415	65,187
Franchise	265,251	252,629	-	-	265,251	252,629
License and Permits	257,162	272,873	-	-	257,162	272,873
Miscellaneous	321,868	357,500	-	177,512	321,868	535,012
Sales of Assets	-	5,000	-	1,000	-	6,000
Interest Earned	216,450	183,260	42,996	46,580	259,446	229,840
Total Revenues	<u>6,433,651</u>	<u>6,515,159</u>	<u>3,505,242</u>	<u>3,257,666</u>	<u>9,938,893</u>	<u>9,772,825</u>
<u>Expenses</u>						
General Government	3,929,882	3,642,640	-	-	3,929,882	3,642,640
Public Safety	1,737,693	2,073,516	-	-	1,737,693	2,073,516
Interest on Long-Term Debt	41,662	169,164	-	-	41,662	169,164
Water and Sewer	-	-	2,904,699	2,969,326	2,904,699	2,969,326
Total Expenses	<u>5,709,237</u>	<u>5,885,320</u>	<u>2,904,699</u>	<u>2,969,326</u>	<u>8,613,936</u>	<u>8,854,646</u>
Increase (Decrease) in Net Position Before Transfers	724,414	629,839	600,543	288,340	1,324,957	918,179
Transfers	<u>(45,800)</u>	<u>(554,255)</u>	<u>45,800</u>	<u>554,255</u>	<u>-</u>	<u>-</u>
Increase/Decrease in Net Position	\$ 678,614	\$ 75,584	\$ 646,343	\$ 842,595	\$ 1,324,957	\$ 918,179

Governmental Activities

The Town's total revenues from governmental activities decreased from \$6,515,159 in fiscal year 2024 to \$6,433,651 in fiscal year 2025. Revenues were relatively unchanged from the prior year. The Town's largest source of general revenue (\$4,039,908) are property taxes and sales taxes. Capital grants were the second largest revenue source for governmental activities.

The Town's expenses from governmental activities for the 2025 fiscal year were \$5,709,237 which was an decrease of \$176,083 from fiscal year 2024. These expenses cover a wide range of services with the largest being general government expenditures of \$3,929,882 (68%) and public safety expenditures of \$1,737,693 (30%).

TOWN OF FARMERVILLE, LOUISIANA
FARMERVILLE, LOUISIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

Government Funds

The focus of the Town’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town’s financing requirements. Unreserved fund balance in particular may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year. At the end of the current fiscal year, the Town’s governmental funds reported combined ending fund balances of \$5,775,683.

The general fund is the chief operating fund of the Town. At the end of the fiscal year, unassigned fund balance of the general fund was \$3,149,390. As a measure of the general fund liquidity, it may be useful to compare unassigned fund balance to total expenditures. Unassigned fund balance represents 90% of the total general fund expenditures. Due to uncertain economic conditions, expenditures were closely monitored and correlated to revenues received.

The Town spent a total of \$1,782,627 (including capital outlay) out of the Sales Tax Fund primarily for repairs and maintenance to streets. This amount decreased by \$483,405 from the prior fiscal year.

Proprietary Funds

The Town’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position of the Water Fund at the end of the year was \$5,599,808. The fund has an operating income for the year of \$442,792 after depreciation.

Net position of the Sewer Fund at the end of the year was \$4,834,143. The fund has an operating loss for the year of \$289,839 after depreciation.

Capital Assets

The following table shows the capital assets (net of depreciation) of the governmental and business type activities:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Land	\$ 873,506	\$ 873,506	\$ 25,752	\$ 25,752	\$ 899,258	\$ 899,258
Construction in Progress	85,570	-	321,888	349,369	407,458	349,369
Buildings	1,789,603	1,836,079	-	-	1,789,603	1,836,079
Improvements	1,116,796	1,069,417	-	-	1,116,796	1,069,417
Equipment	1,148,716	1,293,047	-	-	1,148,716	1,293,047
Infrastructure	8,175,317	8,066,183	-	-	8,175,317	8,066,183
Water System	-	-	6,787,676	6,197,457	6,787,676	6,197,457
Sewer System	-	-	4,938,824	4,574,845	4,938,824	4,574,845
Total	<u>\$ 13,189,508</u>	<u>\$ 13,138,232</u>	<u>\$ 12,074,140</u>	<u>\$ 11,147,423</u>	<u>\$ 25,263,648</u>	<u>\$ 24,285,655</u>

TOWN OF FARMERVILLE, LOUISIANA
FARMERVILLE, LOUISIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

The Town of Farmerville’s investment in capital assets for its governmental and business-type activities as of June 30, 2025, amounts to \$25,136,454 (net of depreciation). This is an increase of \$850,799 from last year. This investment includes land, construction in progress, buildings and improvements, equipment, infrastructure, water, and sewer.

Debt Administration

The following table shows the Town’s outstanding debt:

	2025	2024
2022 Revenue Bonds	\$ 3,560,000	\$ 3,775,000
2010 Revenue Bonds	175,000	205,000
2016 Revenue Bonds	232,000	275,000
USDA Loan	19,435	42,217
Sewer Revenue Bonds	140,560	165,671
USDA Loan	1,871,425	1,915,159
Vacation, Sick, & Comp Time	371,506	164,358
Total	\$ 6,369,926	\$ 6,542,405

At the end of the fiscal year, the Town of Farmerville had total outstanding debt of \$6,369,926. This is a decrease of \$172,479 in total debt.

Economic Factors and Next Year’s Budget

Factors considered in preparing the Town of Farmerville’s budget for the 2026 fiscal year are revenues and expenditures are expected to be similar to the prior year. With current economic conditions, tax revenues are projected to remain consistent for the next fiscal year.

Requests for Information

The financial report is designed to provide a general overview of the Town’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Clerk, P.O. Box 427, Farmerville, Louisiana 71241. The phone number is 318-368-9242.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 5,350,815	\$ 1,207,605	\$ 6,558,420
Receivables, net	-	400,536	400,536
Due from Other Governments	275,612	-	275,612
Prepaid Expenses	157,413	43,145	200,558
Due To/From Other Funds	105,986	(105,986)	-
Capital Assets, Net:			
Non Depreciable Assets	959,076	25,752	984,828
Depreciable Assets	12,230,432	12,048,388	24,278,820
<u>Total Assets</u>	<u>19,079,334</u>	<u>13,619,440</u>	<u>32,698,774</u>
Deferred Outflows of Resources	<u>724,925</u>	<u>183,410</u>	<u>908,335</u>
<u>Liabilities</u>			
Accounts Payable	110,451	349,710	460,161
Accrued Liabilities	3,692	-	3,692
Accrued Interest Payable	23,000	-	23,000
Customer Deposits	-	181,360	181,360
Current Portion of Long-Term Obligations	596,954	159,535	756,489
Non-Current Portion of Long-Term Obligations	3,671,000	1,942,438	5,613,438
Post Retirement Benefits	331,942	100,363	432,305
Net Pension Liability	1,733,372	611,634	2,345,006
<u>Total Liabilities</u>	<u>6,470,411</u>	<u>3,345,040</u>	<u>9,815,451</u>
Deferred Inflows of Resources	<u>227,042</u>	<u>23,859</u>	<u>250,901</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	8,921,554	9,972,167	18,893,721
Restricted for Debt Service	-	760,792	760,792
Unrestricted	4,185,252	(299,008)	3,886,244
<u>Total Net Position</u>	<u>\$ 13,106,806</u>	<u>\$ 10,433,951</u>	<u>\$ 23,540,757</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Function/Program Activities	Program Revenues				Net (Expense) Revenue and Changes in Net Assets Primary Government		
	Expenses	Charges for Services	Operating	Capital	Governmental Activities	Business-Type Activities	Total
			Grants and Contributions	Grants and Contributions			
Government Activities:							
General Government	\$ 3,929,882	\$ 650,226	\$ -		\$ (3,279,656)	\$ -	\$ (3,279,656)
Public Safety	1,737,693	-	-	-	(1,737,693)	-	(1,737,693)
Interest on Long-Term Debt	41,662	-	-	-	(41,662)	-	(41,662)
Total Governmental Activities	5,709,237	650,226	-	-	(5,059,011)	-	(5,059,011)
Business-Type Activities:							
Water	2,039,249	2,446,503	-	255,755	-	663,009	663,009
Sewer	865,450	567,555	-	192,433	-	(105,462)	(105,462)
Total Business-Type Activities	2,904,699	3,014,058	-	448,188	-	557,547	557,547
Total Government	\$ 8,613,936	\$ 3,664,284	\$ -	\$ 448,188	(5,059,011)	557,547	(4,501,464)
General Revenues:							
Taxes:							
General Government					300,181	-	300,181
Fire Department					624,173	-	624,173
Housing Authority in Lieu of Taxes					10,332	-	10,332
Sales Tax					3,105,222	-	3,105,222
Franchise Taxes					265,251	-	265,251
Licenses and Permits					257,162	-	257,162
Intergovernmental					633,371	-	633,371
Fines and Forfeitures					49,415	-	49,415
Investment Earnings					216,450	42,996	259,446
Transfers					(45,800)	45,800	-
Miscellaneous					321,868	-	321,868
Total General Revenues					5,737,625	88,796	5,826,421
Changes in Net Position					678,614	646,343	1,324,957
Net Position - Beginning					12,428,192	9,787,608	22,215,800
Net Position - Ending					\$ 13,106,806	\$ 10,433,951	\$ 23,540,757

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	Major Funds				Total Governmental Funds
	General Fund	Sales Tax Fund	Recreation Sales Tax Fund	ARPA Fund	
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 3,036,262	\$ 1,284,304	\$ 1,030,249	\$ -	\$ 5,350,815
Due from other governments	76,961	132,434	66,217	-	275,612
Prepaid Items	120,098	20,380	16,935	-	157,413
Due from Other Funds	105,986	-	-	-	105,986
<u>Total Assets</u>	<u>3,339,307</u>	<u>1,437,118</u>	<u>1,113,401</u>	<u>-</u>	<u>5,889,826</u>
<u>LIABILITIES</u>					
Accounts Payable	66,137	34,074	10,240	-	110,451
Due To Other Funds	-	-	-	-	-
Other Liabilities	3,682	10	-	-	3,692
<u>Total Liabilities</u>	<u>69,819</u>	<u>34,084</u>	<u>10,240</u>	<u>-</u>	<u>114,143</u>
<u>FUND BALANCES</u>					
Nonspendable	120,098	20,380	16,935	-	157,413
Restricted	-	1,382,654	1,086,226	-	2,468,880
Unassigned	3,149,390	-	-	-	3,149,390
<u>Total Fund Balance</u>	<u>3,269,488</u>	<u>1,403,034</u>	<u>1,103,161</u>	<u>-</u>	<u>5,775,683</u>
<u>Total Liabilities and Fund Balances</u>	<u>\$ 3,339,307</u>	<u>\$ 1,437,118</u>	<u>\$ 1,113,401</u>	<u>\$ -</u>	<u>\$ 5,889,826</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
RECONCILIATION OF GOVERNMENT FUND BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2025

Total Governmental Fund Balances \$ 5,775,683

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Governmental Capital Assets	22,992,685	
Less: Accumulated Depreciation	<u>(9,803,177)</u>	13,189,508

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

Accrued interest payable	(23,000)	
USDA bond payable	(19,435)	
2010 Bonds	(175,000)	
2022 Bonds	(3,560,000)	
2016 Bonds	(232,000)	
Compensated Absences	(281,519)	
Deferred outflows of resources	724,925	
Deferred inflows of resources	(227,042)	
Net OPEB Obligation	(331,942)	
Net Pension Liability	<u>(1,733,372)</u>	<u>(5,858,385)</u>

Net Position of Governmental Activities		<u><u>\$ 13,106,806</u></u>
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The accompanying notes are an integral part of this financial statement.

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

	Major Funds				Total Governmental Funds
	General Fund	Sales Tax Fund	Recreation Sales Tax Fund	ARPA Fund	
Revenues					
Ad Valorem Taxes	\$ 934,686	\$ -	\$ -	\$ -	\$ 934,686
Sales Taxes	776,083	1,552,121	777,018	-	3,105,222
Franchise Taxes	265,251	-	-	-	265,251
Licenses and Permits	257,162	-	-	-	257,162
Intergovernmental	137,881	495,490	-	-	633,371
Charges for Services	650,226	-	-	-	650,226
Fines and Forfeitures	49,415	-	-	-	49,415
Miscellaneous	264,666	37,424	19,778	-	321,868
Interest Income	138,330	56,609	18,414	3,097	216,450
Sale of Assets	-	-	-	-	-
Total Revenues	3,473,700	2,141,644	815,210	3,097	6,433,651
Expenditures					
General Government	778,956	340,480	352,725	-	1,472,161
Public Safety	1,197,687	-	-	-	1,197,687
Fire Department	445,039	-	-	-	445,039
Sanitation Department	946,451	-	-	-	946,451
Streets	-	919,020	-	-	919,020
Capital Outlay	136,601	523,127	58,442	-	718,170
Debt Service					
Principal Payments	-	-	310,782	-	310,782
Interest and Other	-	-	41,662	-	41,662
Total Expenditures	3,504,734	1,782,627	763,611	-	6,050,972
Excess (Deficiency) of Revenues Over Expenditures	(31,034)	359,017	51,599	3,097	382,679
Other Financing Sources and (Uses)					
Transfers In	576,796	-	-	-	576,796
Transfers Out	(255,000)	(180,000)	(10,000)	(177,596)	(622,596)
Net Other Financing Sources (Uses)	<u>321,796</u>	<u>(180,000)</u>	<u>(10,000)</u>	<u>(177,596)</u>	<u>(45,800)</u>
Net Change in Fund Balance	290,762	179,017	41,599	(174,499)	336,879
Fund Balance - Beginning	2,978,726	1,224,017	1,061,562	174,499	5,438,804
FUND BALANCE - ENDING	\$ 3,269,488	\$ 1,403,034	\$ 1,103,161	\$ -	\$ 5,775,683

The accompanying notes are an integral part of this financial statement.

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

Net Change in Fund Balances - Total		
Governmental Funds	\$	336,879

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

Government funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	718,170		
Depreciation expense	(667,217)		50,953

The changes in other long-term assets and liabilities are reported in the statement of activities, but do not affect current financial resources of governmental funds. The changes are as follows:

Net pension liability and related deferred outflows and deferred inflows	129,230		
Principal Payments on long term debt	310,782		
Compensated absences	(149,230)		290,782

Change in Net Position in Governmental Activities		\$ 678,614
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The accompanying notes are an integral part of this financial statement.

PROPRIETARY FUNDS

**TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025**

<u>ASSETS</u>	Business-Type Activities		
	Enterprise Funds		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Current Assets</u>			
Cash and Cash Equivalents	\$ 371,412	\$ 75,401	\$ 446,813
Accounts Receivables, Net	400,536	-	400,536
Prepaid Insurance	32,433	10,712	43,145
Total Current Assets	804,381	86,113	890,494
<u>Non-Current Assets from Restricted Asset</u>			
Cash and Cash Equivalents			
Water Fund - Meter Deposits	228,969	-	228,969.00
Depreciation and Contingency Fund	183,592	24,369	207,961
Construction Checking	112	135	247
USDA Accounts	323,615	-	323,615
Total Restricted Assets	736,288	24,504	760,792
<u>Capital Assets</u>			
Property, Plant, and Equipment at Costs	13,548,540	10,147,862	23,696,402
Less: Accumulated Depreciation	(6,438,974)	(5,209,040)	(11,648,014)
Land	25,752	-	25,752
Total Capital Assets	7,135,318	4,938,822	12,074,140
Total Assets	8,675,987	5,049,439	13,725,426
<u>Deferred Outflows of Resources</u>	136,419	46,991	183,410

The accompanying notes are an integral part of this financial statement.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

<u>LIABILITIES</u>			
<u>Current Liabilities</u>			
Accounts Payable	336,835	12,875	349,710
Accrued Liabilities	67,289	22,699	89,988
Total Current Liabilities	404,124	35,574	439,698
<u>Liabilities Payable from Restricted Assets</u>			
Customer Deposits	181,360	-	181,360
Bonds Payable	44,547	25,000	69,547
Total Payable from Restricted Assets	225,907	25,000	250,907
<u>Long Term Liabilities</u>			
Due To/From Sewer Funds	93,640	(93,640)	-
Due To/From Other Funds	105,986	-	105,986
Bonds Payable	1,826,878	115,560	1,942,438
Post Retirement Benefits	83,388	16,975	100,363
Net Pension Liability	454,929	156,705	611,634
Total Long-Term Liabilities	2,564,821	195,600	2,760,421
Total Liabilities	3,194,852	256,174	3,451,026
<u>Deferred Inflows of Resources</u>			
Resources related to pensions	17,746	6,113	23,859
<u>NET POSITION</u>			
Invested in Capital Assets Net of Related Debt	5,263,893	4,798,262	10,062,155
Restricted for Debt Service	507,207	24,369	531,576
Unrestricted	(171,292)	11,512	(159,780)
Total Net Position	\$ 5,599,808	\$ 4,834,143	\$ 10,433,951

The accompanying notes are an integral part of this financial statement.

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

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Total
<u>Operating Revenues</u>			
Charges for Services	\$ 2,444,727	\$ 567,555	\$ 3,012,282
Miscellaneous	1,776	-	1,776
Total Operating Revenues	2,446,503	567,555	3,014,058
<u>Operating Expenses:</u>			
<u>Administrative Expenses</u>			
Salaries and Employee Benefits	599,834	268,401	868,235
Advertising	687	-	687
Auditing	17,086	3,946	21,032
Bank Charges	1,148	16	1,164
Computer Expense	34,397	-	34,397
Dues	575	-	575
Insurance - Liability	110,215	16,747	126,962
Miscellaneous	3,952	23,580	27,532
Office Supplies	6,632	-	6,632
Postage	11,700	-	11,700
Equipment and Truck Expenses	31,411	26,516	57,927
Telephone Expense	8,419	1,713	10,132
Travel and Training	2,228	1,332	3,560
Water Bill Cost	16,604	-	16,604
Total Administration	844,888	342,251	1,187,139
<u>Materials and Supplies</u>			
Chlorine	61,563	4,682	66,245
Scada Network	13,330	-	13,330
Ozone #3 Expenses	71,398	-	71,398
Chemicals Test	1,312	16,003	17,315
Grant Expenses	1,450	-	1,450
Supplies	143,609	10,577	154,186
Equipment Maintenance	3,700	-	3,700
Safe Drinking Program	20,431	-	20,431
Major Well and Tank Repairs	23,123	-	23,123
Poultry Pride Water Well Repairs	276,920	-	276,920
Major Repairs and Additions	18,492	13,782	32,274
Vehicle/Equipment Fuel	16,608	-	16,608
Lift Station Expense	-	139,893	139,893
Treatment Plant Repairs	-	27,392	27,392
Utilities	84,286	57,377	141,663
Total Materials and Supplies	736,222	269,706	1,005,928

The accompanying notes are an integral part of this financial statement.

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

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Total
Depreciation and Amortization	422,601	245,437	668,038
Total Operating Expenses	2,003,711	857,394	2,861,105
Net Operating Income (Loss)	442,792	(289,839)	152,953
<u>Non-Operating Revenues (Expenses)</u>			
Interest Income	39,137	3,859	42,996
Interest Expense	(35,538)	(8,056)	(43,594)
Grants/LCDBG	255,755	192,433	448,188
Transfers in (out)	(30,000)	75,800	45,800
Total Non-Operating Revenues (Expenses)	229,354	264,036	493,390
<u>Change in Net position</u>	672,146	(25,803)	646,343
<u>Net Position - Beginning of the Year</u>	4,927,662	4,859,946	9,787,608
<u>Net Position - End of the Year</u>	\$ 5,599,808	\$ 4,834,143	\$ 10,433,951

The accompanying notes are an integral part of this financial statement.

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

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Total
<u>Cash Flows From Operating Activities:</u>			
Receipts from Customers	\$ 2,318,643	\$ 567,555	\$ 2,886,198
Payments to Suppliers	(1,025,539)	(392,712)	(1,418,251)
Payments to Employers and Employee Benefits	(602,684)	(199,299)	(801,983)
Other Receipts (Payments)	1,776	-	1,776
Net Cash Provided (Used) by Operating Activities	692,196	(24,456)	667,740
<u>Cash Flows From Noncapital Financing Activities</u>			
Due To/From Other Funds	6,693	-	6,693
Due To/From Sewer/Water Dept.	12,009	(12,009)	-
Transfer to Other funds	(30,000)	75,800	45,800
Net Cash Provided (Used) by Noncapital Financing Activities	(11,298)	63,791	52,493
<u>Cash Flows From Capital and Related Financing Activities</u>			
<u>Activities</u>			
Purchase of Capital Assets	(1,048,936)	(545,818)	(1,594,754)
Interest Expenses	(35,538)	(8,056)	(43,594)
Payment on Long-Term Debt	(43,734)	(25,111)	(68,845)
Grants	255,755	192,433	448,188
Net Cash Provided (Used) by Capital and Related Financing Activities	(872,453)	(386,552)	(1,259,005)
<u>Cash Flows From Investing Activities:</u>			
Interest Earned on Investments	39,137	3,859	42,996
Net Increase (Decrease) in Cash and Cash Equivalents	(152,418)	(343,358)	(495,776)
Cash and Cash Equivalents - Beginning of Year	1,260,118	443,263	1,703,381
Cash and Cash Equivalents - End of Year	\$ 1,107,700	\$ 99,905	\$ 1,207,605

The accompanying notes are an integral part of this financial statement.

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

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Total
Reconciliation of Cash and Cash			
<u>Equivalents to the Statement of</u>			
<u>Net Position</u>			
Cash and Cash Equivalents	\$ 371,412	\$ 75,401	\$ 446,813
Restricted Cash			
Water Fund	228,969	-	228,969
Depreciation and Contingency Fund	183,592	24,369	207,961
USDA Accounts	323,615	-	323,615
Construction Checking	112	135	247
Total Cash and Cash Equivalents	<u>1,107,700</u>	<u>99,905</u>	<u>1,207,605</u>
Reconciliation of Operating Income (Loss)			
<u>to Net Cash Flows from Operating Activities</u>			
Net Operating Income (Loss)	442,792	(289,839)	152,953
Adjustments to Reconcile Net Income (Loss) to			
Net Cash used by Operating Activities			
Depreciation	422,601	245,437	668,038
(Increase) Decrease in Accounts Receivable	(126,084)	-	(126,084)
(Increase) Decrease in Prepaid Insurance	14,498	(470)	14,028
Increase (Decrease) in Accounts Payable	(58,761)	(48,686)	(107,447)
Increase (Decrease) in Pension/OPEB	(43,704)	51,336	7,632
Increase (Decrease) in Accrued Liabilities	40,854	17,766	58,620
Net Cash Provided (Used) by Operating Accounts	<u>\$ 692,196</u>	<u>\$ (24,456)</u>	<u>\$ 667,740</u>

The accompanying notes are an integral part of this financial statement.

NOTES TO THE FINANCIAL STATEMENTS

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Introduction

The Town of Farmerville, Louisiana (hereafter referred to as the Town) is governed by a "Special Legislative Charter" that was approved by the Louisiana State Legislature in 1842, which was amended in 1870. The Town must have an elected Mayor, five Aldermen/Alderwomen and a Marshal. See the other supplementary information for a detail of compensation.

The Town's major operations include water and sewer, public safety, fire protection, recreation and parks, and general administrative services.

The Town provides the following services: public safety (police and fire), streets, drainage, sanitation, utilities (water and sewer), recreation, public improvements, planning and zoning and general and administrative services.

The Town is located in Union Parish surrounded by Darbonne Lake recreation area. The Town's major industry is timber and poultry, which includes a poultry processing plant. The Town's population was 3,298 in 2023.

1. Summary of Significant Accounting Policies

A. Basis Of Presentation

The accounting and reporting policies of the Town of Farmerville, Louisiana conform to generally accepted accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Government Units (Revised). The following is a summary of certain significant accounting policies.

GASB Statement No 14, The Financial Reporting Entity, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the municipality is considered a primary government, since it is a general-purpose local government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB statement No. 14, fiscally independent means that the municipality may, without approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The municipality has oversight of other component units that are either blended into the municipalities' basic financial statements or discretely presented in a separate column in the government-wide financial statements.

Blended Component Units – The Town of Farmerville did not have any blended component units.

Discretely Presented Component Units - The Town of Farmerville did not have any Discretely Presented Components Units.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

B. Financial Reporting Entity

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

C. Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred in the period in which the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. In accordance with Government Accounting Standards Board Statement of Activities for the Town as a whole. These statements include the primary government, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-Wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Part of the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expense of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program Revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and grants and contributions that are restricted to meetings, the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

D. Eliminating Internal Activity

Interfund receivables and payables are eliminated in the Statements of Net Position except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses from one function to another or within the same function are eliminated in the Statement of Activities. Allocated expenses are reported by the function to which they are allocated.

E. Application of FASB Statements and Interpretations

Reporting on governmental-type and business-type activities are based on FASB Statements and the Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

F. Capitalized Assets

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Amounts less than \$500 are not capitalized unless they are considered major by the mayor or council. Infrastructure assets such as roads and bridges are also capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statement of Net Position. Depreciation of contributed assets of proprietary funds is charged against contributed capital as opposed to unrestricted assets.

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

G. Program Revenues

The Statement of Activities presents three categories of program revenues – (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the Town. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are restricted for specific use.

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

H. Indirect Expenses

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

I. Operating Revenues

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

J. Restricted Net Assets

When an expenditure is incurred for 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 its commitments or assignments actions.

K. Pensions

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

L. Deferred Outflows/Inflows of Resources

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

M. Fund Accounting

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

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FARMERVILLE, LOUISIANA
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N. Governmental Funds

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

1. Major Governmental Funds

General Fund – is the general operating fund of the Town and accounts for all financial resources, except for those required to be accounted for in other funds. Starting, as of July 1, 2012, the police department and fire department were transferred to separate accounts. The police department and the fire department have funds restricted to police and fire department expenditures. A one-half percent sales tax was passed for the police department.

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

A. Special Revenue Funds – Sales Tax

The Town of Farmerville Sales Tax Department – The Citizens of the Town of Farmerville approved 1% sales and use tax. Proceeds of the tax have been pledged and dedicated to the retirement of Sales Tax Bonds dated May 1, 1985, which has been retired. The excess funds can be used for streets and sanitation expenditures.

B. Special Revenue Funds – Recreational Sales Tax

On October 20, 2001, an additional ½ of 1% sales and use tax was approved. This tax was approved for construction of a recreation center and street improvements. Bonds were sold in the amount of \$2,900,000 for construction of the recreation center and improvements of the streets. The street construction was completed during 2002. The recreation center was completed at June 30, 2004. The 2002 bonds were paid off from a 2012 bond issue. The sales tax approved in 2001 are to be used for retirement of the 2012 bonds, recreation center costs, and street improvements.

C. Special Revenue fund – ARPA

The ARPA fund accounts for grant funding from the Coronavirus State Local Fiscal Recovery Fund authorized by American Rescue Plan Act of 2021.

2. Debt Service Funds – These funds are used to account for the accumulation of resources for, and the payments of, genal long-term debt principal, interest and related costs.

3. Capital Projects Funds – These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

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O. Proprietary Funds

Proprietary Funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary Funds differ from Governmental Funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Proprietary Funds include:

1. Enterprise Funds – Account for operations (a) where the intent of the governing body is that 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 had decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Town's Enterprise Fund includes services for water and sewer.
 - a. The Town of Farmerville Water Department – The Town of Farmerville rates for user charges are approved by the Town Council and the legal liability for the general obligations portion of the water authority's debt remain with the Town of Farmerville.
 - b. The Town of Farmerville Sewer Department – The Sewer charges are approved by the Town Council but are regulated by the EPA.

P. Basis of Accounting/Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by the type of financial statement presentations.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental-type and business-type activities are included in the Statement of Net Position. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. In these statements, capital assets are reported and depreciated in each fund.

This same measurement focus and basis of accounting is used by proprietary funds in the fund statements. However, all governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included in the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated.

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Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting and the current financial resources measurement focus, revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end or due under a cost reimbursement arrangement. In addition, expenses are generally recorded when a liability has incurred; however, debt service, compensated absences, claims and judgments are recorded as expenses, when payment is made. Furthermore, when the current financial resources measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt is reported as other financing sources and repayment of long-term debt is reported as an expenditure.

Q. Budget and Budgetary Accounting

The Town adopts an annual budget for the General Fund, Special Revenue Funds, and Enterprise Fund. It is prepared in accordance with the basis of accounting utilized by that fund. Any revisions that alter the total expenditures must be approved by the council. Budgeted amounts shown are as originally adopted or as amended by the Board. Budget amendments are passed in June each year. The police and fire departments are part of the general fund, separate budgets are prepared because of restricted revenues.

R. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest bearing demand deposits, and certificates of deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Town may deposit funds in demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities, plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties. The State of Louisiana banking regulations require the FDIC to ensure \$250,000 of checking and savings for each municipality.

S. Investments

Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings. All investments of the Town are certificates of deposits held at Marion State Bank and Origin Bank and the fair value is determined by the face value of the certificate.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

T. Bad Debts

Uncollectible amounts for ad valorem taxes are generally not significant. The Town records ad valorem taxes on a cash basis, so no receivables are recorded until year end. Any ad valorem taxes collected within 60 days of year end are considered receivable, so bad debts are not recorded and are considered immaterial. For customers' utility receivables, the allowance method is used to account for uncollectible amounts. Under this method, an allowance account is set up for what is deemed to be uncollectible.

U. Inventories

Inventories are not considered material and are therefore not recorded. The Town purchases supplies as needed and does not maintain inventory quantities on hand.

V. Short-Term Interfund Receivable/Payables

During the course of operation, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the fund financial statements' balance sheet. In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize their "grossing up" effect on assets and liabilities within the governmental activities column.

W. Restricted Assets

Certain proceeds of the governmental funds and the enterprise funds are classified as restricted assets on the balance sheet because their use is limited. The Town recognizes the use of restricted resources for expenditures that comply with the specific restrictions. Restricted resources are exhausted before unrestricted assets are used.

X. Prepaid Items

The Town purchases commercial insurance to cover their risk. Insurance companies usually require the premiums to be paid in advance of the coverage periods.

Y. Capital Assets

The Town's assets are recorded as historical cost. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

Equipment and Furniture	3 – 10 Years
Utility Plant/Sewer Collection System	5 – 40 Years
Vehicles	5 – 10 Years
Buildings	39 – 40 Years
Infrastructure	40 - 60 Years

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In June 1999, the Governmental Accounting Standards Board issued Statement No. 34 which requires the inclusion of infrastructure assets used in governmental activities in the general purpose financial statements retroactively reported back to 1982. An exception exists for local governments with annual revenues of less than \$10 million. As a result of this exception, the Town has elected to not report its governmental infrastructure retroactively. The infrastructure currently being depreciated over a period of 40 years is the water and sewer system that is reported in the business-type activities of the Town. From this point forward, the Town will use the basic approach to infrastructure reporting for its governmental activities.

Z. Compensated Absences

The Town permits employees to carry forward up to 40 hours of unused vacation leave. Unused vacation is paid out upon termination of employment, and the Town records a liability for accrued but unpaid vacation. Employees may accumulate up to 480 hours of sick leave; however, payment of unused sick leave upon termination is not guaranteed under Town policy. Effective in 2025, the Town implemented a new accounting principle GASB Statement 101 for compensated absences and now records a liability for sick leave.

AA. Long-Term Obligation

In the government-wide financial statements, however, debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Position. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid. See Note #6 for detail.

BB. Fund Equity

GASB Statement Number 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: Restricted, Committed, Assigned and Unassigned.

- Restricted Fund Balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed Fund Balance – These amounts can only be used for specific purposes determined by formal resolutions or ordinances of the Town Council—the government’s highest level of decision-making authority. These committed amounts cannot be used for any other purpose

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unless the Town Council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

- **Assigned Fund Balance** – This classification reflects the amounts whose intent is to be used for specific purposes, but that are neither restricted nor committed. The Town Council and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.
- **Unassigned Fund Balance** – This fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the Town’s policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

CC. Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

DD. Major – Non-Major Funds

The Town’s Major Funds are: General Fund, Sales Tax, Recreation Sales Tax, ARPA Fund and Business Type Funds – Water and Sewer.

2. Stewardship, Compliance, and Accountability

Budget Information – The Town adopted budgets for the years ended June 30, 2025, for the General Fund and Special Revenue Fund on a basis consistent with generally accepted accounting principles (GAAP). The Town follows the following procedures in establishing the budgetary data reflected in the financial statements. During the December meeting, the Town Clerk submits to the board of aldermen a proposed operating budget for the fiscal year commencing the following January 1.

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The operating budget includes proposed expenditures and expenses and the means of financing them. During the December meeting, the budget is legally enacted through passage of an ordinance. The public is invited to attend all meetings. The Town Clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures or expenses of any fund must be approved by the board of aldermen. Appropriations lapse at the end of the year.

3. Cash and Cash Equivalents

At June 30, 2025, the Town has bank cash and cash equivalents (book balances) totaling \$6,558,420 as follows:

Demand Deposits	\$ 5,913,835
Interest-Bearing Demand Deposits	<u>644,585</u>
Total	<u>\$ 6,558,420</u>

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

At June 30, 2025, Cash and cash equivalents (bank balances) are secured as follows:

Bank Balances	\$ 6,959,602
Federal Deposits Insurance	750,000
Pledged Securities (Uncollateralized)	<u>6,209,602</u>
Totals	6,959,602
Governmental Funds Cash	5,350,815
Enterprise Funds Cash	<u>1,207,605</u>
Total Book Balances by Fund Type	\$ 6,558,420

Even though any pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, R.S. 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.

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4. Investments

Custodial Credit Risk – Investments

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in possession of the outside party. The Town had no custodial credit risk related to its investments on June 30, 2025.

Under state law, the Town may invest funds in obligations of the United States, in federally insured investments, or in time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. At June 30, 2025, the Town had no investments that were not considered cash or cash equivalents.

5. Receivables

The receivables of \$400,536 at June 30, 2025, are as follows:

	Governmental <u>Funds</u>	Proprietary <u>Funds</u>	<u>Total</u>
Receivables	\$ -	\$ 400,536	\$ 400,536

6. Due from other governments

The amounts due from other governments at June 30, 2025, are as follows:

Union Parish Sales and Use Tax Commission	\$275,612
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7. Ad Valorem Taxes

For the year ended June 30, 2025, taxes of \$576,698 were levied on property with assessed valuations totaling \$34,532,775 and were dedicated as follows:

General Ad Valorem tax	8.8 mills
Fire Department	7.9 mills
Total	16.7 mills

Ad valorem taxes are attached as an enforceable lien on property as of January 1st of each year. Taxes are levied by the Town in September or October and are billed to the taxpayer in November. Billed taxes become delinquent on January 1st of the following year. Revenues from ad valorem taxes are budgeted in the year billed. The Town bills and collects its own property taxes using the assessed value determined by the Bienville parish tax assessor.

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8. Interfund Operating Transfers In and Out

Interfund operating transfers in and out during the year ended June 30, 2025, were as follows:

<u>Fund</u>	<u>Operating Transfers In</u>	<u>Transfers (Out)</u>
Major Funds:		
General Fund	\$ 576,796	\$ (255,000)
Sales Tax	-	(180,000)
Recreational Sales Tax	-	(10,000)
ARPA Fund	-	(177,596)
Enterprise Fund		
Water	-	(30,000)
Sewer	75,800	-
Totals	<u>\$ 652,596</u>	<u>\$ (652,596)</u>

9. Interfund Receivables and Payables

Interfund balances at June 30, 2025, were as follows:

<u>Fund</u>	<u>Interfund</u>	
	<u>Receivables</u>	<u>Payables</u>
Major Funds:		
General Fund	\$ 105,986	\$ -
Sales Tax	-	-
Recreational Sales Tax	-	-
ARPA Fund	-	-
Enterprise Fund		
Water	-	199,626
Sewer	93,640	-
Totals	<u>\$ 199,626</u>	<u>\$ 199,626</u>

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

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10. Capital Assets

Capital Asset Activity for the year ended June 30, 2025, is as follows:

	June 30, 2024 Balance	Additions	Deletions	June 30, 2025 Balance
<u>Governmental Activities</u>				
Non-Depreciable Assets:				
Land	\$ 873,506	\$ -	\$ -	\$ 873,506
Construction in Process	-	85,570	-	85,570
Total Non-Depreciable Assets	873,506	85,570	-	959,076
Depreciable Assets:				
Buildings	2,876,029	22,000	-	2,898,029
Improvements	1,791,464	98,119	-	1,889,583
Machinery and equipment	6,372,714	150,715	-	6,523,429
Infrastructure	10,360,478	362,090	-	10,722,568
Total at Historical Cost	21,400,685	632,924	-	22,033,609
Less Accumulated Depreciation:				
Buildings	(1,039,950)	(68,476)	-	(1,108,426)
Improvements	(722,047)	(50,740)	-	(772,787)
Machinery and equipment	(5,079,667)	(295,046)	-	(5,374,713)
Infrastructure	(2,294,295)	(252,956)	-	(2,547,251)
Total Accumulated Depreciation	(9,135,959)	(667,218)	-	(9,803,177)
<u>Government Activities Capital Assets, Net</u>	\$ 13,138,232	\$ 51,276	\$ -	\$ 13,189,508
<u>Business-Type Activities</u>				
Non-Depreciable Assets:				
Land	\$ 25,752	\$ -	\$ -	\$ 25,752
Construction in progress	349,369	36,116	(63,597)	321,888
Total non-depreciable assets	375,121	36,116	(63,597)	347,640
Depreciable Assets:				
Sewer department	9,538,447	609,415	-	10,147,862
Water department	12,213,829	1,012,820	-	13,226,649
Total at Historical Cost	21,752,276	1,694,467	-	23,374,511
Less: Accumulated Depreciation:				
Sewer department	(4,963,602)	(245,436)	-	(5,209,038)
Water department	(6,016,372)	(422,601)	-	(6,438,973)
Total Accumulated Depreciation	(10,979,974)	(668,037)	-	(11,648,011)
<u>Business-Type Activities Capital Assets, Net</u>	\$ 11,147,423	\$ 1,062,546	\$ (63,597)	\$ 12,074,140

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NOTES TO THE FINANCIAL STATEMENTS
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11. Accounts and Other Payables

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

	Governmental Funds	Proprietary Funds	Total
Accounts Payable	\$ 110,451	\$ 349,710	\$ 460,161
Accrued Liabilities	3,692	-	3,692
Accrued Interest Payable	23,000	-	23,000
Customer Deposits	-	181,360	181,360
Current Portion of Lease Liability	-	-	-
Current Portion of Long-Term Obligations	596,954	159,535	756,489

12. Long-term liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
Certificates of Indebtedness,					
2010 Revenue Bonds	\$ 205,000	\$ -	\$ 30,000	\$ 175,000	\$ 30,000
2016 Revenue Bonds	275,000	-	43,000	232,000	46,000
2022 Revenue Bonds	3,775,000	-	215,000	3,560,000	220,000
USDA Loan	42,217	-	22,782	19,435	19,435
<u>Total Government Bonds And Notes Payable</u>	4,297,217	-	310,782	3,986,435	315,435
Other Liabilities:					
Accrued Vacation, Sick And Compensatory Time					
	132,989	243,975	95,445	281,519	281,519
<u>Total Government Activities Long-Term Debt</u>	\$ 4,297,217	\$ -	\$ 406,227	\$ 4,267,954	\$ 596,954
Business-Type Activities:					
Bonds and Notes Payable:					
Certificates of Indebtedness,					
Sewer Revenue Bonds	\$ 165,671	\$ -	\$ 25,111	\$ 140,560	\$ 25,000
USDA Loan	1,915,159	-	43,734	1,871,425	44,547
Other Liabilities:					
Accrued Vacation, Sick And Compensatory Time					
	31,369	84,190	25,572	89,987	89,987
<u>Total Business-Type Activities Long-Term Debt</u>	\$ 2,112,199	\$ 84,190	\$ 94,417	\$ 2,101,972	\$ 159,534

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Principal and interest requirements to retire the Town's bonds and obligations are as follows for their governmental funds:

Year Ended June 30,	<u>2010 Revenue Bond</u>	
	<u>Principal</u>	<u>Interest</u>
2026	30,000	8,450
2027	35,000	6,503
2028	35,000	3,978
2029	35,000	2,250
2030	40,000	476
Total	<u>175,000</u>	<u>21,657</u>

Year Ended June 30,	<u>2016 Revenue Bond</u>	
	<u>Principal</u>	<u>Interest</u>
2026	46,000	8,236
2027	49,000	6,602
2028	52,000	4,864
2029	55,000	2,580
2030	30,000	1,503
Total	<u>232,000</u>	<u>23,785</u>

Year Ended June 30,	<u>2022 Revenue Bond</u>	
	<u>Principal</u>	<u>Interest</u>
2026	220,000	131,461
2027	225,000	124,951
2028	235,000	117,345
2029	240,000	108,736
2030-2034	1,350,000	396,518
2035-2039	<u>1,290,000</u>	<u>108,089</u>
Total	<u>3,560,000</u>	<u>987,100</u>

Year Ended June 30,	<u>USDA</u>	
	<u>Principal</u>	<u>Interest</u>
2026	<u>19,435</u>	<u>1,314</u>
Total	<u>19,435</u>	<u>1,314</u>

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Principal and interest requirements to retire the Town's bonds and obligations are as follows for their business type funds:

Year Ended June 30,	<u>Sewer Revenue Bond</u>	
	<u>Principal</u>	<u>Interest</u>
2026	25,000	6,765
2027	25,000	5,200
2028	30,000	3,465
2029	30,000	1,800
2030-2034	30,671	645
2035-2039	-	-
Total	<u>140,671</u>	<u>17,875</u>

Year Ended June 30,	<u>USDA</u>	
	<u>Principal</u>	<u>Interest</u>
2026	44,563	34,709
2027	45,406	33,866
2028	46,264	33,008
2029	47,139	32,133
2030-2034	249,411	146,950
2035-2039	273,903	122,457
2040-2044	300,803	95,557
2045-2049	330,341	66,019
2050-2054	362,784	33,576
2055-2059	<u>190,809</u>	<u>3,683</u>
Total	<u>1,891,423</u>	<u>601,958</u>

13. Pension Plans

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

Substantially all town employees, except firemen and policemen are members of the Municipal Employees' Retirement System of Louisiana (MERS), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The MERS is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Each of these are separated by first employment date of which those before January 1, 2013 are in Plan A and those after in Plan A Tier 2. All members participate in Plan A or Plan A Tier 2 based on those dates.

All permanent employees working at least 35 hours per week and elected town officials are required to participate in the system. Under the MERS Plan A, a member who retires at or after age 60 with at least 10 years of creditable service or at any age with 25 years of creditable service is entitled to a full retirement benefit, payable monthly for life, equal to 3 percent of the member's final compensation

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multiplied by his years of creditable service. With MERS Plan A Tier 2, a member who retires at or after age 67 with at least 7 years of creditable service, at or after age 62 with at least 10 years of creditable service or at 55 age with 30 years of creditable service are entitled to the same benefits as noted with Plan A.

Final compensation is a member's average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted. A member who withdraws from active service prior to retirement eligibility is entitled to receive benefits beginning on the normal retirement date, assuming completion of the required years of creditable service and no prior refund of contributions. The system also provides death and disability benefits. Benefits are established by state statute.

Funding Policy – State statute requires covered employees to contribute 9.0 percent of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The current actuarially determined rate is 29.5 percent of annual covered payroll. The Town's contributions to the System under Plan A for the years ending June 30, 2025, 2024, and 2023 were \$366,877, \$364,445 and \$332,962, respectively, equal to the required contributions for each year.

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

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

At June 30, 2025, the Town reported a liability of \$1,708,660 for its proportionate share of the net pension liability for the MERS plan. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the MERS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the Town's proportion was 0.6072%, which was an increase of 0.0456% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the Town recognized net pension expense of \$323,317 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$43,649.

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At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of Resources
Differences between expected and actual experience	\$ -	\$ 56,564
Changes of assumptions	-	10,087
Net difference between projected and actual earnings on pension plan investments	23,009	-
Changes in proportion and differences between contributions and proportionate share of contributions	127,526	-
Employer contributions subsequent to the measurement date	367,877	-
Total	\$ 518,412	\$ 66,651

The Town reported a total of \$367,877 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2024, which will be recognized as a reduction in net pension liability in the year ended June 30, 2025.

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

Year	MERS
2025	20,955
2026	164,006
2027	(58,653)
2028	(42,421)
	83,887

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

Valuation Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal

Actuarial Assumptions:

Expected Remaining Service Lives	3 years
Investment Rate of Return/	
Inflation Rate	2.50% inflation
Projected salary increases	4.4-9%
Employee mortality	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales
Disabled lives mortality	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP 2018 scale
Annuitant and beneficiary mortality	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP 2018 scales

Discount Rate

The long-term expected rate of return on pension plan investments 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 expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

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The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the System’s target asset allocation as of June 30, 2024, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public equity	56%	2.44%
Public fixed income	29%	1.26%
Alternatives	15%	0.65%
	100%	4.35%
Inflation		2.50%
Expected Arithmetic Nominal Return		6.85%

The discount rate used to measure the total pension liability was 6.85% for the year ended June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems’ Actuarial Committee. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active and inactive employees), determined as of the beginning of the measurement period. The effect on net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period. The Expected Remaining Service Lives (ERSL) for 2024 is 3 years.

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

The following table presents the Town’s proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the Town’s proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

MERS	<u>1.0% Decrease</u>	<u>Current Discount</u> Rate	<u>1.0% Increase</u>
Rates	5.85%	6.85%	7.85%
TOF Share - NPL	\$ 2,572,990	\$ 1,708,660	\$ 979,016

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM

All full-time police officers engaged in law enforcement are required to participate in the Municipal Police Employees' Retirement System (MPERS), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. Members who started prior to January 1, 2013, can retire at or after age 55 with 12 years of creditable service, at or after age 50 with 20 years of creditable service, or at any age with 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3-1/3 percent of the member's average final compensation multiplied by his years of creditable service, not to exceed 100 percent of his average final compensation.

Average final compensation is the average annual earned compensation of a member for any period of 36 successive or joined months of service that produces the highest average.

Members who started on or after January 1, 2013, retire under one of two plans, Hazardous Duty or Non Hazardous Duty. Under Hazardous Duty, at or after age 55 with 12 years of creditable service, or at any age with 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of the member's average final compensation, not to exceed 100 percent of his average final compensation. Under Non Hazardous Duty, at or after age 60 with 10 years of creditable service, 25 years of credible service at age 55, or at any age with 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 1/2 percent of the member's average final compensation, not to exceed 100 percent of his average final compensation.

For these members, average final compensation is the average annual earned compensation of a member for any period of 60 successive or joined months of service that produces the highest average.

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

Funding Policy - State statute requires covered employees to contribute 10.00 percent of their salaries to the system. The Town is required to contribute 34.0 percent of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

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The Town's contributions to the System for the years ending June 30, 2025, 2024, and 2023, were \$58,914, \$56,214, and \$32,197 respectively, equal to the required contributions for the year.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees' Retirement System, 8401 United Plaza Blvd., Baton Rouge, Louisiana 70809-7017, or by calling (225) 929-7411.

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

At June 30, 2025, the Town reported a liability of \$425,863 for its proportionate share of the net pension liability for the MPERS plan. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the MPERS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the Town's proportion was .0470%, which was an increase of .0166% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the Town recognized pension expense of \$12,822 net of employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$157,779.

At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of Resources
Differences between expected and actual experience	\$ 23,057	\$ 1,288
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	11,839	-
Changes in proportion and differences between contributions and proportionate share of contributions	157,779	-
Employer contributions subsequent to the measurement date	58,914	-
Total	\$ 251,589	\$ 1,288

The Town reported a total of \$58,914 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2024, which will be recognized as a reduction in net pension liability in the year ended June 30, 2025.

TOWN OF FARMERVILLE
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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year	MPERS
2025	68,916
2026	97,473
2027	20,870
2028	(7,466)
	<u>179,793</u>

Actuarial Assumptions

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

Valuation Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	4 years
Investment Rate of Return/Inflation Rate	6.75%, net of investment expense, 2.50% inflation
Projected salary increases	4.70 to 12.30% based on years of service
Mortality	For employees, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used
	For disabled lives, the Pub-2010 Public Retirement Plan Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used
	For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 sale was used

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Discount Rate

The long-term expected rate of return on pension plan investments 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 expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2024, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public equity	52%	3.14%
Public fixed income	34%	1.07%
Alternatives	14%	1.03%
	100%	5.24%
Inflation		2.62%
Expected Arithmetic Nominal Return		7.86%

The discount rate used to measure the total pension liability was 6.85% for the year ended June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period. The Expected Remaining Service Lives (ERSL) for 2024 is 4 years.

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

The following table presents the Town’s proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the Town’s proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

	1.0% Decrease	Current Discount Rate	1.0% Increase
MPERS Rates	5.75%	6.75%	7.75%
TOF Share - NPL	\$ 632,610	\$ 425,863	\$ 253,271

FIREFIGHTERS' RETIREMENT SYSTEM

All full-time firefighters for the Town who are engaged in fire protection are eligible to participate in the Firefighters' Retirement System (FRS), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees.

A member who has completed 20 years of creditable service and has reached the age of 50, with at least 12 years of service who has reached the age of 55, as well as anyone with 25 years of service at any age are eligible for retirement. Upon retirement, the benefit amount is 3-1/3 percent of average final compensation multiplied by years of creditable service, not to exceed his average final compensation. Average final compensation is the member's average annual earned compensation for any period of 36 successive or joined months of service that produce the highest average. The system also provides death and disability benefits. Benefits are established by state statute.

Funding Policy - State statute requires covered employees to contribute 10.00 percent of their salaries to the system. The Town is required to contribute 33.25 percent of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contribution to the System for the years ending June 30, 2025, 2024 and 2023 were \$23,645, \$35,718, and \$55,513, respectively, equal to the required contributions for the year.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, 3100 Brentwood Drive, Baton Rouge, Louisiana 70809-1752, or by calling (225) 925-4060.

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

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At June 30, 2025, the Town reported a liability of \$210,483 for its proportionate share of the net pension liability for the FRS plan. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the FRS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the Town's proportion was .0374%, which was an decrease of 0.0248% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the Town recognized pension expense of \$96,757 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$16,398.

At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of Resources
Differences between expected and actual experience	\$ 15,803	\$ 5,006
Changes of assumptions	9,005	-
Net difference between projected and actual earnings on pension plan investments	2,129	-
Changes in proportion and differences between contributions and proportionate share of contributions	51,254	115,372
Employer contributions subsequent to the measurement date	23,645	-
Total	\$ 101,836	\$ 120,378

The Town reported a total of \$23,645 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2024, which will be recognized as a reduction in net pension liability in the year ended June 30, 2025.

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

Year	FRS
2025	20,955
2026	164,006
2027	(58,653)
2028	(42,421)
	83,887

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Actuarial Assumptions

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

Valuation Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	7 years
Investment Rate of Return	6.9%, net of investment expense
Inflation Rate	2.50 per annum
Projected Salary Increases	5.2-14.1% per year based on years of service
Mortality	For active members, mortality was set equal to the PUB-2010 Public retirement Plans Mortality Table for Safety Below-Median Employees For annuitants and beneficiaries, mortality was set equal to the PUB-2010 Public retirement Plans Mortality Table for Safety Below-Median Healthy Retirees For disabled retirees, mortality was set equal to the PUB-2010 Public retirement Plans Mortality Table for Safety Disabled Retirees In all cases, the base table was multiplied by 105% for males and 115% for females, each with full generational projection using the appropriate MP2019 scale.
Cost of Living Adjustments	Only those previously granted.

The estimated long-term expected rate of return on pension plan investments was determined by the System's actuary using the System's target asset allocation as of January 2024 and the Curran Actuarial Consulting average study for 20243. Using the target asset allocation for the System and the average values for expected real rates of return, standard deviation of returns and the correlation of the returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. The System's long-term assumed rate of inflation of 2.5% was used in this process for the fiscal year ended June 30, 2024.

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Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2024, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public equity	54%	3.49%
Public fixed income	30%	0.67%
Alternatives	16%	1.25%
	100%	5.41%
Inflation		2.50%
Expected Arithmetic Nominal Return		7.91%

Discount Rate

The discount rate used to measure the total pension liability was 6.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the Town's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the Town's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

FRS Rates	1.0% Decrease	Current Discount Rate	1.0% Increase
TOF Share - NPL	\$ 349,447	\$ 210,483	\$ 94,575

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14. Post Employment Benefits

The Town of Farmerville provides continuing employees benefits for its employees who retired with the State Municipal Retirement System, the Police Retirement System and Fire Retirement System. The Town of Farmerville provides health insurance through the Louisiana Municipal Risk Management Agency, II for each employee. Family coverage is available, but not paid by the Town. The Town is also providing life insurance and dental insurance for retirees.

The Town records the cost of these benefits as expenditures on a monthly basis. For the year ended June 30, 2024, the total cost of the benefit to employee was zero. As of June 30, 2024, the Town had no retiree benefits payable. These premiums are financed on a “pay-as-you-go” basis.

The Governmental Accounting Standards Board released Statement No. 74 – Financial Reporting for Postemployment Benefit Plans Other than Pension Plans (GASB 74) and Statement No. 75 – Accounting and Financial Reports for Post-Employment Benefit Plans Other than Pension Plans (GASB 75) in June 2015. These two statements supersede GASB Statements 43 and 45, respectively, and establish uniform accounting and financial reporting standards for state and local governmental entities related to post-employment benefits other than pensions.

GASB 74 must be adopted for fiscal years beginning after June 15, 2016, and GASB 75 must be adopted for fiscal years beginning after June 15, 2017. While the previous statements allowed smaller entities the ability to have valuations every three years, the replacement standards require all entities, regardless of size to have a valuation performed every two years, with roll forward valuations performed on years between.

Actuarial Cost Method

Whereas GASB 43 and GASB 45 allowed for one of six different actuarial cost methods, GASB 74 and GASB 75 require the Entry Age Normal Cost Method based on a level percentage of projected salary.

Plan Description

The Town of Farmerville medical and dental benefits are provided and made available to employees upon actual retirement. These benefits terminate at age 65.

The employees are covered by a retirement system whose retirement eligibility provisions are as follows:

The Town is the Municipal Employees Retirement System of Louisiana. The system is composed of two distinct plans. Plan A and B with separate assets and benefit provisions. The employees were members of Plan B, which has a 30 years’ service and retirement of any age after 30 years. The Town changed to Plan A in July 2002, which has 25 years of service or 10 years at age 60. The Fire and Police Retirement has 25 years of service at any age, 20 years at age 50 and 12 years at age 55. The employees do not contribute to the post-employment benefits costs.

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

Inactive employees or beneficiaries currently receiving benefit payments	0
Inactive employees entitled to but not yet receiving benefit payments	2
Active employees	32
 Total	 34

Total OPEB Liability

The Town’s total OPEB liability of \$432,305 was measured as of June 30, 2025, and was determined by an actuarial valuation as of that date.

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

Inflation	2.5%
Salary increases	3.5%, including inflation
Prior Discount rate	2.16%
Discount rate	4.13%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Flat 4.5% annually for medical, 3% for dental
Mortality	RPH-2014 Total Table with Projection MP-2021

The discount rate was based on the average of the S & P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2024, the end of the applicable measurement period.

The actuarial assumptions used in the June 30, 2024, valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009, to June 30, 2025.

Changes in the Total OPEB Liability

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Balance at June 30, 2024	\$ 409,148
Changes for the year:	
Service cost	30,285
Interest	18,113
Differences between expected and actual experience	42,309
Changes of assumptions	(65,824)
Benefit payments and net transfers	(1,726)
Net changes	23,157
 Balance at June 30, 2025	 \$ 432,305

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13%) or 1-percentage-point higher (5.13%) than the current discount rate:

	1% Decrease 3.50%	Current Discount Rate (4.5%)	1% Increase 5.50%
Total OPEB liability	\$ 397,825	\$ 432,305	\$ 472,528

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.5%) or 1-percentage-point higher (5.5%) than the current healthcare trend rates:

	1% Decrease 3.81%	Current Discount Rate (4.81%)	1% Increase 5.81%
Total OPEB liability	\$ 456,402	\$ 432,305	\$ 409,333

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

For the year ended June 30, 2024, the Town recognized OPEB expense of \$605. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 33,531	\$ (58,597)
Changes in Assumption	2,967	(73,665)
Total	\$ 36,498	\$ (132,262)

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

<u>Years ending June 30,</u>	<u>Outflows</u>
2026	\$ (41,654)
2027	(34,769)
2028	(15,338)
2029	(4,003)
2030	\$ -

15. Contingent Liabilities

The Town is exposed to a variety of risks that may result in losses. These risks include possible loss from acts of God, injury to employees, property damage, or breach of contract. The Town finances these potential losses through purchasing insurance from several commercial companies. The level of coverage has remained constant. The Town is not a member of a risk pool.

16. On-Behalf Payments

The Town recognizes as general fund revenues and expenses supplemental pay made by the State of Louisiana to the Town's police employees. For the year June 30, 2025, the State made contributions of \$23,250.

17. Fund Changes and Fund Balances

Amounts for specific purposes by fund and fund balance classifications for the year ended June 30, 2025 are as follows:

**TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

<u>Classification/Fund</u>	<u>Purpose</u>	<u>Amount</u>
Nonspendable		
General Fund	Prepaid Items	\$ 120,098
Sales Tax	Prepaid Items	20,380
Recreation Sales Tax	Prepaid Items	16,935
Restricted:		
Sales Tax	Bond Repayment	149,158
Sales Tax	Capital Projects	1,233,496
Recreation Sales Tax	Bond Repayment	343,538
Recreation Sales Tax	Capital Projects	742,688
ARPA	Construction Projects	-
Assigned:		
Unassigned:		
General Fund		3,149,390
Sales Tax		-
Recreation Sales Tax		-
Total Fund Balances		<u>\$ 5,775,683</u>

18. Subsequent Events

In preparing these financial statements, the Town has evaluated events and transactions for potential recognition or disclosure through April 30, 2026, the date the financial statements were available to be issued. All subsequent events determined to be relevant and material to the financial statements have been appropriately disclosed or recorded.

REQUIRED SUPPLEMENTARY INFORMATION (PART B)

TOWN OF FARMERVILLE
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
	<u>Budget</u>	<u>Budget</u>		<u>Positive</u>
				<u>(Negative)</u>
BUDGETARY FUND BALANCE				
BEGINNING OF YEAR	\$ 2,978,726	\$ 2,978,726	\$ 2,978,726	\$ -
Resources				
Property Taxes	484,000	589,000	934,686	345,686
Sales Taxes	750,000	775,000	776,083	1,083
Franchise Taxes	240,000	265,000	265,251	251
Licenses and Permits	272,100	262,100	257,162	(4,938)
Intergovernmental	198,700	223,500	137,881	(85,619)
Charges for Services	801,900	802,900	650,226	(152,674)
Fines	66,200	50,200	49,415	(785)
Interest Income	80,500	117,000	264,666	147,666
Miscellaneous	358,200	347,450	138,330	(209,120)
Transfer From Other Funds	560,000	650,000	576,796	(73,204)
Total Resources	<u>3,811,600</u>	<u>4,082,150</u>	<u>4,050,496</u>	<u>(31,654)</u>
Amounts available for appropriations	<u>6,790,326</u>	<u>7,060,876</u>	<u>7,029,222</u>	<u>(31,654)</u>
Charges to appropriations				
Current				
General Government	749,150	918,840	778,956	139,884
Public Safety	1,106,220	1,195,850	1,197,687	(1,837)
Fire Department	586,720	492,220	445,039	47,181
Sanitation Department	741,080	783,080	946,451	(163,371)
Debt Service	138,182	145,000	-	145,000
Capital Outlay			136,601	(136,601)
Transfers To Other Funds	250,000	250,000	255,000	(5,000)
Total Charges to appropriations	<u>3,571,352</u>	<u>3,784,990</u>	<u>3,759,734</u>	<u>25,256</u>
BUDGETARY FUND BALANCE				
END OF YEAR	<u>\$ 3,218,974</u>	<u>\$ 3,275,886</u>	<u>\$ 3,269,488</u>	<u>\$ (6,398)</u>

See accompanying independent auditor's report.

TOWN OF FARMERVILLE
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
SPECIAL REVENUE FUND – SALES TAX
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
BUDGETARY FUND BALANCE				
BEGINNING OF YEAR	\$ 1,224,017	\$ 1,224,017	\$ 1,224,017	\$ -
Resources				
Taxes	1,500,000	1,550,000	1,552,121	2,121
Intergovernmental	-	480,000	495,490	
Miscellaneous	13,060	53,400	37,424	
Interest Income	40,000	58,000	56,609	(1,391)
Total Resources	<u>1,553,060</u>	<u>2,141,400</u>	<u>2,141,644</u>	<u>244</u>
Amounts available for appropriations	<u>2,777,077</u>	<u>3,365,417</u>	<u>3,365,661</u>	<u>244</u>
Charges to appropriations				
General Government	484,065	827,050	340,480	486,570
Streets	774,740	1,136,200	919,020	217,180
Capital Outlay	100,000	12,000	523,127	(511,127)
Total Charges to appropriations	<u>1,358,805</u>	<u>1,975,250</u>	<u>1,782,627</u>	<u>192,623</u>
Other Financing Sources				
Transfers To Other Funds	<u>150,000</u>	<u>150,000</u>	<u>180,000</u>	<u>(30,000)</u>
BUDGETARY FUND BALANCE				
END OF YEAR	<u>\$ 1,268,272</u>	<u>\$ 1,240,167</u>	<u>\$ 1,403,034</u>	<u>\$ 162,867</u>

See accompanying independent auditor's report.

TOWN OF FARMERVILLE
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
SPECIAL REVENUE FUND – RECREATION
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
BUDGETARY FUND BALANCE				
BEGINNING OF YEAR	\$ 1,061,562	\$ 1,061,562	\$ 1,061,562	\$ -
Resources				
Taxes	750,000	775,000	777,018	2,018
Miscellaneous	25,600	20,100	19,778	(322)
Interest Income	10,000	19,000	18,414	(586)
Total Resources	<u>785,600</u>	<u>814,100</u>	<u>815,210</u>	<u>1,110</u>
Amounts available for appropriations	<u>1,847,162</u>	<u>1,875,662</u>	<u>1,876,772</u>	<u>1,110</u>
Charges to appropriations				
General Government	340,780	384,850	352,725	32,125
Capital Outlay	-	46,000	58,442	(12,442)
Debt Services	360,000	360,000	310,782	49,218
Total Charges to appropriations	<u>700,780</u>	<u>790,850</u>	<u>721,949</u>	<u>68,901</u>
Other Financing Sources				
Transfers To Other Funds	-	-	-	-
BUDGETARY FUND BALANCE				
END OF YEAR	<u>\$ 1,146,382</u>	<u>\$ 1,084,812</u>	<u>\$ 1,154,823</u>	<u>\$ 70,011</u>

See accompanying independent auditor's report.

TOWN OF FARMERVILLE
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
SPECIAL REVENUE FUND – ARPA
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
BUDGETARY FUND BALANCE				
BEGINNING OF YEAR	\$ 174,499	\$ 174,499	\$ 174,499	\$ -
Resources				
Taxes	-	-	-	-
Interest Income	-	-	3,097	3,097
Total Resources	<u> </u>	<u> </u>	<u>3,097</u>	<u>3,097</u>
Amounts available for appropriations	<u>174,499</u>	<u>174,499</u>	<u>177,596</u>	<u>3,097</u>
Charges to appropriations				
General Government	-	-	-	-
Other Financing Sources				
Transfers To Other Funds	<u>175,000</u>	<u>175,000</u>	<u>177,596</u>	<u>(2,596)</u>
BUDGETARY FUND BALANCE				
END OF YEAR	<u>\$ (501)</u>	<u>\$ (501)</u>	<u>\$ -</u>	<u>\$ 501</u>

See accompanying independent auditor's report.

TOWN OF FARMERVILLE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025

Note: General Budget Practices

A proposed budget is prepared and submitted by the Mayor to the Town Council prior to the beginning of each year. A proposed budget ordinance is published in the Town's official journal several weeks before the scheduled meeting to finalize the budgets. After budgets are published for public inspection, the budgets are adopted through the passage of the ordinance at the Town's December board meeting.

The operating budget is prepared on a basis used by the Town which is basically a cash basis. The Town prepares annual budgets for the general and enterprise funds. Budget amendments are approved by the Town Council and are also approved by ordinance.

All budgetary appropriations lapse at the end of each year.

TOWN OF FARMERVILLE
SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED RATIOS
(UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025

	2020	2021	2022	2023	2024	2025
Total OPEB Liability						
Service Cost	36,921	38,213	36,690	36,690	30,285	30,285
Interest	17,701	11,710	10,227	11,048	16,228	18,113
Changes of Benefit Terms	-	-	-	-	-	-
Difference Between Expected and Actual Experience	-	(124,407)	-	(110,971)	-	42,309
Change of Assumptions	-	37,437	-	(48,944)	-	(65,824)
Benefit Payments	(45,795)	(17,803)	(17,803)	-	-	(1,726)
Net Change in Total OPEB Liability	8,827	(54,850)	29,114	(112,177)	46,513	23,157
Total OPEB Liability - Beginning	491,721	500,548	445,698	474,812	362,635	409,148
Total OPEB Liability - Ending (a)	500,548	445,698	474,812	362,635	409,148	432,305
Covered-member payroll	1,227,888	1,065,022	1,065,022	1,449,595	1,449,595	1,431,644
Net OPEB Liability as a Percentage of Covered Member Payroll	40.76%	41.85%	44.58%	25.02%	28.22%	30.20%
Notes to Schedule						
<i>Benefit Changes:</i>	None	None	None	None	None	None
<i>Changes in Assumption:</i>						
<i>Discount Rate:</i>	2.21%	2.16%	2.16%	4.13%	4.13%	4.13%
<i>Mortality:</i>	RP-2000	RP-2014	RP-2014	RP-2014	RP-2014	RP-2014
<i>Trend:</i>	5.50%	Variable	Variable	Variable	Variable	Variable

This schedule is presented to illustrate the requirement to show information for 10 years.

TOWN OF FARMERVILLE
SCHEDULE OF TOWN'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
(UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025

MERS					
Year Ending 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
2016	0.0000%	-	-	0.00%	0.00%
2017	0.5578%	2,286,335	993,438	230.14%	66.18%
2018	0.5632%	2,355,919	1,022,730	230.36%	62.11%
2019	0.5780%	2,393,113	1,060,747	225.61%	63.49%
2020	0.5293%	2,211,623	979,773	225.73%	65.60%
2021	0.5022%	2,171,047	953,912	227.59%	64.68%
2022	0.4858%	1,351,366	1,029,083	131.32%	77.82%
2023	0.5369%	2,230,062	1,128,686	197.58%	67.87%
2024	0.5616%	2,052,454	1,236,941	165.93%	72.46%
2025	0.6072%	1,708,660	1,247,041	137.02%	79.05%

MPERS					
Year Ending 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
2016	0.0226%	176,922	60,410	292.87%	75.10%
2017	0.0224%	209,604	62,390	335.96%	70.73%
2018	0.0215%	187,949	64,025	293.56%	66.04%
2019	0.0231%	195,137	68,003	286.95%	70.08%
2020	0.0175%	158,339	53,016	298.66%	71.89%
2021	0.1188%	173,349	39,082	443.55%	71.01%
2022	0.0146%	77,607	60,602	128.06%	84.09%
2023	0.0204%	208,207	103,030	202.08%	70.80%
2024	0.0304%	321,323	165,700	193.92%	71.30%
2025	0.0470%	425,863	173,660	245.23%	75.84%

TOWN OF FARMERVILLE
SCHEDULE OF TOWN'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
(UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025

FRS					
Year Ending 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
2016	0.0004%	215,399	84,817	253.96%	76.02%
2017	0.0405%	265,103	91,589	289.45%	72.45%
2018	0.0341%	214,503	87,414	245.39%	68.16%
2019	0.0375%	227,742	133,457	170.65%	73.55%
2020	0.0527%	329,846	127,309	259.09%	74.76%
2021	0.0506%	350,896	128,453	273.17%	73.96%
2022	0.0512%	181,484	135,040	134.39%	86.78%
2023	0.0524%	369,593	166,957	221.37%	74.68%
2024	0.0622%	405,928	107,423	377.88%	77.69%
2025	0.0374%	210,483	71,113	295.98%	81.68%

This schedule will contain ten years of historical information once such information becomes available.

TOWN OF FARMERVILLE
SCHEDULE OF TOWN'S CONTRIBUTIONS
(UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025

MERS					
Year Ending June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2016	197,946	197,946	-	1,002,258	19.75%
2017	196,800	196,800	-	993,438	19.54%
2018	232,671	232,671	-	1,022,730	21.71%
2019	261,156	261,156	-	1,060,747	23.00%
2020	254,741	254,741	-	979,773	26.35%
2021	281,404	281,404	-	953,912	27.94%
2022	303,579	303,579	-	1,029,083	27.94%
2023	332,962	332,962	-	1,128,686	28.86%
2024	364,898	364,898	-	1,236,941	29.43%
2025	364,445	364,445	-	1,247,041	29.22%

MPERS					
Year Ending June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2016	19,029	19,029	-	60,410	31.50%
2017	18,480	18,480	-	62,390	29.62%
2018	20,405	20,405	-	64,025	31.87%
2019	20,946	20,946	-	68,003	30.80%
2020	17,559	17,559	-	53,016	33.12%
2021	13,491	13,491	-	39,082	34.52%
2022	18,029	18,029	-	60,602	29.75%
2023	32,197	32,197	-	103,030	31.25%
2024	56,338	56,338	-	165,700	33.93%
2025	56,308	56,308	-	173,660	32.42%

TOWN OF FARMERVILLE
SCHEDULE OF TOWN'S CONTRIBUTIONS
(UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025

Year Ending June 30,	FRS				
	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2016	24,809	24,809	-	84,817	29.25%
2017	24,903	24,903	-	91,589	27.19%
2018	22,072	22,072	-	87,414	25.25%
2019	24,980	24,980	-	133,457	18.72%
2020	33,737	33,737	-	127,309	26.50%
2021	41,426	41,426	-	128,453	32.25%
2022	45,576	45,576	-	135,040	33.75%
2023	55,513	55,513	-	166,957	33.25%
2024	35,718	35,718	-	107,423	33.25%
2025	23,645	23,645	-	71,113	33.25%

This schedule will contain ten years of historical information once such information becomes available.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2025

	<u>John Crow</u> <u>Mayor</u>	
Salary		\$ 50,185
Benefits		
Insurance	379	
Telephone	600	
Vehicle	4,594	
Per diem	322	
Travel	2,200	
Meals	6,990	
Uniforms	144	
Registration Fees	450	
Total Benefits	<u>15,679</u>	
Total		\$ 65,864

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO COUNCIL MEMBERS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Compensation</u>
Robert Allen	\$ 15,834
Caroline Gaston	14,000
Ricky Johnikin	12,200
Thomas Nation	12,300
Kerry Hill	<u>12,200</u>
	<u><u>66,534</u></u>

TOWN OF FARMERVILLE
FARMERVILLE, LOUISIANA
JUSTICE SYSTEM FUNDING SCHEDULE – COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SEESION
FOR THE YEAR ENDED JUNE 30, 2025

	First Six Month Period Ended 12/31/2024	Second Six Month Period Ended 6/30/2025
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ -	\$ -
Add: Collections		
Criminal Court Costs/Fees	7,434	6,132
Criminal Fines - Other	21,325	18,120
Subtotal Collections	28,759	24,252
Less: Disbursements to Governments & Nonprofits		
LA Traumatic Head & Spinal Cord Injury Trist Fund	280	125
LA Commission on Law Enforcement-Training	258	226
LA Conuission on Law Enforcement-Crime Victims	30	98
Trial Court Case Management Infm-mation System	383	340
Union Parish Crime Stoppers	252	218
N. La. Criminalistic Laboratory Commission	4,724	3,780
Louisiana Judicial College Funcl	67	56
Less: Amounts Retained by Collecting Agency		
Criminal Court Costs/Fees	1,440	1,289
Criminal Fines - Other	21,325	18,120
Subtotal Disbursements/Retainage	28,759	24,252
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	\$ -	\$ -

REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*



PREMIER PLAZA
1900 N. 18TH STREET, SUITE 300 | MONROE, LOUISIANA 71201
318.388.3108 (P) | 318.429.2124 (F)

Honorable Mayor and Board of Aldermen of the
Town of Farmerville, Louisiana

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

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

Report on Internal Control Over Financial Reporting

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

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 preceding 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 identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Town of Farmerville, Louisiana's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. 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 the Report

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

Heard, McElroy & Vestal, LLC

Monroe, Louisiana
April 30, 2026

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

Section I- Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the Town of Farmerville, Louisiana.
2. One material weakness relating to the audit of the basic financial statements is reported.
3. One instance of noncompliance relating to the basic financial statements of the Town of Farmerville, Louisiana was disclosed during the audit.
4. No federal single audit was required under the Uniform Guidance relating to the financial statements of the Town of Farmerville, Louisiana.

Section II - Financial Statement Findings

2025-001 Timely Cut-off of Delinquent Accounts

Condition:

The Town's cut-off policies and procedures to ensure that all delinquent accounts are collected on a timely basis or that service is discontinued are not always being enforced.

Criteria:

Continuing to provide services after the cut-off date and not actively trying to collect delinquent utility account balances is prohibited by Louisiana's constitution.

Cause:

The Town does not enforce timely cut-offs which can lead to customers having large balances and never paying.

Potential Effect:

By not cutting off delinquent accounts, the Town is providing free services to customers which could affect the continued operation and quality of the services in the future.

Recommendation:

The Town should take aggressive action to collect delinquent accounts or cut-off services timely.

Management's Response: We are aware that our current policy is not being followed according to our ordinance. We plan to enforce our current policy after we do a thorough review of the status of all meters. Our new meter project will allow us to cut off service from the office. This will aid in enforcing our cut off policy.

2025-002 Compliance with Annual Filing Deadline

Condition: The Town did not timely file its annual reports for the year ending June 30, 2025.

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

Criteria: Louisiana Revised Statute 24:513 requires timely filing of annual reports within six months after the end of the fiscal year.

Cause: The Town did not file its report for June 30, 2025, within six months of the end of its fiscal year.

Effect: The Town is not in compliance with state statute.

Recommendation: The Town should work with its outside accounting firm to get the financial information ready earlier so that it can be submitted to the Legislative Auditor in a timely manner.

Management's Response: We will work with our consulting accountant and audit team to ensure that we meet the filing deadline in the future.

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

2024-001 Timely Cut-off of Delinquent Accounts

Condition:

The Town's cut-off policies and procedures to ensure that all delinquent accounts are collected on a timely basis or that service is discontinued are not always being enforced.

Recommendation:

The Town should take aggressive action to collect delinquent accounts or cut-off services timely.

Current Status: Repeated as finding 2025-001

2024-002 Compliance with Local Government Budget Act

Condition:

For the year ended June 30, 2024, the Town's General, ARPA, and Sales Tax Funds had unfavorable budget variances of more than 5%.

Recommendation:

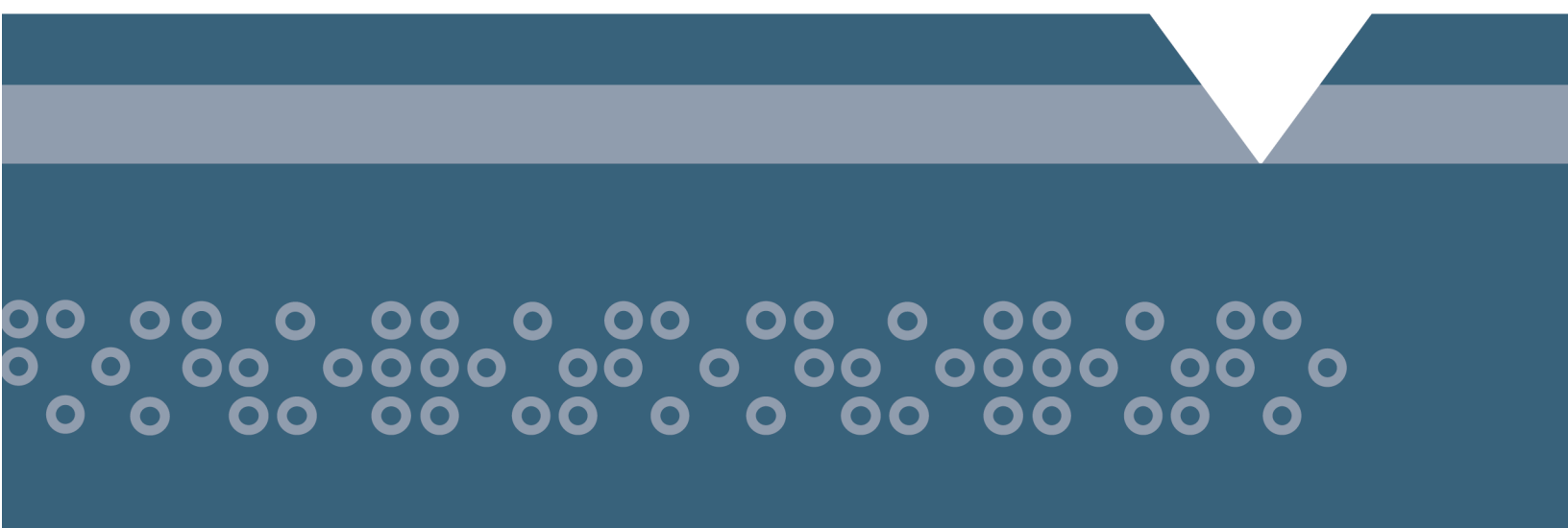
The Town should monitor the budget closely and make amendments as needed to avoid having negative variances of greater than 5%.

Current Status:

Resolved.

Town of Farmerville
Farmerville, Louisiana

Agreed-Upon Procedures Report
For the Year Ended June 30, 2025





PREMIER PLAZA
1900 N. 18TH STREET, SUITE 300 | MONROE, LOUISIANA 71201
318.388.3108 (P) | 318.429.2124 (F)

April, 30 2026

To the Board of Alderman
of the Town of Farmerville
Farmerville, Louisiana

Louisiana Legislative Auditor
Baton Rouge, Louisiana

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2025**

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 Farmerville ("The Town's") management 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

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity'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 agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- 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) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- 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 a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Findings: *Nine exceptions are noted where the Town's policies and procedures did not address the required categories and subcategories listed above.*

Board or Finance Committee

- 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) For those entities reporting on the governmental accounting model, 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) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- d) Observe whether the board or 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.

Findings: *One exception noted. The Town did not update the Board on the progress of audit findings.*

Bank Reconciliations

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation 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.

Findings: *Procedure was not performed as the Town was exempt from testing.*

Collections (excluding electronic funds 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 agency fund additions, are not responsible for collecting cash, unless another employee/official 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 that 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 (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day).
 - 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.

Findings: Procedure was not performed as the Town was exempt from testing.

Non-Payroll Disbursements (excluding card purchases/payments, 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 that the disbursement matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3 above, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g. sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

Findings: Procedure was not performed as the Town was exempt from testing.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
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, 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) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - 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, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Findings: One exception noted for missing credit card receipt.

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

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 that 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.

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 #1h).
 - c) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: Procedure was not performed as the Town was exempt from testing.

Contracts

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

Findings: No exceptions noted.

Payroll and Personnel

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

18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that 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 or officials that received termination payments during the fiscal period and management's representation that the list is complete Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or 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.

Findings: Procedure was not performed as the Town was exempt from testing.

Ethics

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 fiscal period as required by R.S. 42:1170.
 - b. Observe that the entity maintains documentation which demonstrates each employee and official was 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.

Findings: Procedure was not performed as the Town was exempt from testing.

Debt Service

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 that 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).

Findings: Procedure was not performed as the Town was exempt from testing.

Fraud Notice

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 entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
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.

Findings: Procedure was not performed as the Town was exempt from testing.

Information Technology Disaster Recovery/Business Continuity

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 there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c. Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure 19. 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 #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows: a) Hired before June 9, 2020 - completed the training; and b) Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Findings: We performed the procedure and discussed the results with management.

Prevention of Sexual Harassment

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 that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year, as required by R.S 42:343.
31. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).
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 that it includes the applicable requirements of R.S. 42:344:
 1. Number and percentage of public servants in the agency who have completed the training requirements;
 2. Number of sexual harassment complaints received by the agency;
 3. Number of complaints which resulted in a finding that sexual harassment occurred;
 4. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 5. Amount of time it took to resolve each complaint.

Findings: Five exceptions noted for the Town’s sexual harassment report.

Management’s Response

We agree with the results of the procedures and will address the identified exceptions.

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 of the Coroner 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.

Heard, McElroy & Vestal, LLC