

**TOWN OF AMITE CITY**

Louisiana



**ANNUAL FINANCIAL REPORT**

As of and for the Year Ended  
June 30, 2025

**TOWN OF AMITE CITY**

Louisiana

**ANNUAL FINANCIAL REPORT**

As of and for the Year Ended June 30, 2025

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and  
Members of the Town Council,  
Town of Amite City, Louisiana

### *Opinions*

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town 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 (GAAS), the *Louisiana Governmental Audit Guide*, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditors' Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 GAAS, the *Louisiana Governmental Audit Guide*, and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, the *Louisiana Governmental Auditing Guide*, and *Government Auditing Standards*, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, and schedules of the Town's proportionate share of net pension liability and contributions for the Municipal Police Employees' Retirement System on pages 49 through 59 be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The schedule of compensation, benefits, and other payments to agency heads and the justice system funding schedule – collecting/disbursing entity, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency heads, justice system funding schedule – collecting/disbursing entity, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and the *Louisiana Governmental Audit Guide* in considering the Town's internal control over financial reporting and compliance.

*Faulk & Winkler, LLC*  
Certified Public Accountants

Baton Rouge, Louisiana  
December 19, 2025

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## **BASIC FINANCIAL STATEMENTS**

Town of Amite City

STATEMENT OF NET POSITION

June 30, 2025

	Governmental Activities	Business-type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 5,763,623	\$ 181,225	\$ 5,944,848
Receivables, net	495,736	469,171	964,907
Prepaid insurance	60,000	4,537	64,537
Internal balances	(73,171)	73,171	-
Due from Bond Fund	285	-	285
Restricted assets-			
Cash and cash equivalents,	9,928	2,408,475	2,418,403
Capital assets, net	2,947,508	25,809,005	28,756,513
Total assets	9,203,909	28,945,584	38,149,493
 <u>Deferred Outflow of Resources</u>	 528,353	 63,644	 591,997
 <u>Liabilities</u>			
Accounts, salaries, and other payables	136,773	294,116	430,889
Utility customer deposits	-	171,333	171,333
Contract Retainage Payable	-	596,222	596,222
Unearned Grant Revenue-FEMA	108,007	-	108,007
Long-term Liabilities:			
Due within one year	162,246	131,235	293,481
Due in more than one year:			
Long-term liabilities	429,987	11,717,059	12,147,046
Net pension liability	1,540,465	-	1,540,465
Total liabilities	2,377,478	12,909,965	15,287,443
 <u>Deferred Inflow of Resources</u>	 121,765	 -	 121,765
 <u>Net Position</u>			
Net investment in capital assets	2,485,345	13,458,813	15,944,158
Restricted for:			
Debt service	-	2,237,142	2,237,142
Law enforcement	9,928	-	9,928
Unrestricted	4,737,746	403,308	5,141,054
 Total Net Position	\$ 7,233,019	\$ 16,099,263	\$ 23,332,282

The accompanying notes are an integral part of this statement.

Town of Amite City  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues, and Changes in Net Position</u>		
		<u>Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental Activities:							
General government	\$ 1,424,406	\$ -	\$ -	\$ -	\$ (1,424,406)	\$ -	\$ (1,424,406)
Public safety - police	2,290,565	51,355	181,852	118,980	(1,938,378)	-	(1,938,378)
Public safety - fire	320,000	-	-	-	(320,000)	-	(320,000)
Streets	1,040,425	-	5,300	-	(1,035,125)	-	(1,035,125)
Sanitation	252,886	458,068	-	-	205,182	-	205,182
Community center	28,596	-	-	-	(28,596)	-	(28,596)
Cemetery	110,645	42,590	-	-	(68,055)	-	(68,055)
Parks and recreation	134,765	26,065	-	-	(108,700)	-	(108,700)
Economic development	75,546	-	-	-	(75,546)	-	(75,546)
Intergovernmental	31,665	-	-	-	(31,665)	-	(31,665)
Art development	9,164	-	-	-	(9,164)	-	(9,164)
Miscellaneous programs	45,557	-	-	-	(45,557)	-	(45,557)
Total governmental activities	5,764,220	578,078	187,152	118,980	(4,880,010)	-	(4,880,010)
Business-type Activities:							
Waterworks and sewer	2,006,716	1,662,114	-	6,460,964	-	6,116,362	6,116,362
Total business-type activity	2,006,716	1,662,114	-	6,460,964	-	6,116,362	6,116,362
Total	<u>\$7,770,936</u>	<u>\$ 2,240,192</u>	<u>\$ 187,152</u>	<u>\$6,579,944</u>	<u>\$(4,880,010)</u>	<u>\$ 6,116,362</u>	<u>\$ 1,236,352</u>
General Revenues:							
Taxes:							
Property taxes					145,412	-	145,412
Franchise taxes					187,211	-	187,211
Sales taxes					4,240,018	-	4,240,018
Alcoholic beverage tax					11,230	-	11,230
Licenses and permits					366,268	-	366,268
Investment earnings					263,608	135,302	398,910
Miscellaneous					57,416	5,457	62,873
Intergovernmental					58,377	-	58,377
Support revenues-pension					44,227	-	44,227
Total general revenues and transfers					5,373,767	140,759	5,514,526
Change in Net Position					493,757	6,257,121	6,750,878
Net position – beginning					6,739,262	9,842,142	16,581,404
Net position - ending					<u>\$7,233,019</u>	<u>\$ 16,099,263</u>	<u>\$23,332,282</u>

The accompanying notes are an integral part of this statement.

Town of Amite City  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2025

	<u>General Fund</u>	<u>Sales Tax Fund</u>	<u>Economic Development Fund</u>	<u>Arts Council Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>					
Cash	\$ 4,844,980	\$ 1,138	\$ 872,368	\$ 45,137	\$ 5,763,623
Receivables, net	142,904	352,832	-	-	495,736
Prepaid insurance	60,000	-	-	-	60,000
Due from other funds-					
Economic Development Fund	69,698	-	-	-	69,698
Bond Money Fund	285	-	-	-	285
Restricted cash	9,928	-	-	-	9,928
Total assets	<u>\$ 5,127,795</u>	<u>\$ 353,970</u>	<u>\$ 872,368</u>	<u>\$ 45,137</u>	<u>\$ 6,399,270</u>
<u>Liabilities</u>					
Accounts, salaries, and other payables	\$ 134,692	\$ -	\$ 2,056	\$ 25	\$ 136,773
Due to other funds -					
Waterworks Fund	73,171	-	-	-	73,171
General Fund	-	-	69,698	-	69,698
Unearned Grant Revenue-FEMA	108,007	-	-	-	108,007
Total liabilities	<u>315,870</u>	<u>-</u>	<u>71,754</u>	<u>25</u>	<u>387,649</u>
<u>Fund Balance</u>					
Nonspendable: Prepaid insurance	60,000	-	-	-	60,000
Restricted: Law enforcement	9,928	-	-	-	9,928
Committed: Economic Development	-	-	800,614	-	800,614
Promotion of the Arts	-	-	-	45,112	45,112
To Pay USDA loans	-	353,970	-	-	353,970
Garbage Truck	183,252	-	-	-	183,252
Assigned Construction Projects	970,000	-	-	-	970,000
Cemetery Maintenance	165,008	-	-	-	165,008
Unassigned	3,423,737	-	-	-	3,423,737
Total fund balance	<u>4,811,925</u>	<u>353,970</u>	<u>800,614</u>	<u>45,112</u>	<u>6,011,621</u>
Total liabilities and fund balance	<u>\$ 5,127,795</u>	<u>\$ 353,970</u>	<u>\$ 872,368</u>	<u>\$ 45,137</u>	<u>\$ 6,399,270</u>

The accompanying notes are an integral part of this statement.

Town of Amite City

RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
June 30, 2025

Fund balances - total governmental funds	\$	6,011,621
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.		
These assets consist of:		
Governmental capital assets, net of depreciation and amortization		2,947,508
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities consist of:		
Compensated absences payable		(130,070)
Lease liability payable		(462,163)
Net pension liability		(1,540,465)
Deferred outflows and inflows are not financial resources or currently payable. These consist of:		
Deferred outflows-pension liability		528,353
Deferred inflows- pension liability		(121,765)
Net position of governmental activities	\$	<u>7,233,019</u>

The accompanying notes are an integral part of this statement.

Town of Amite City

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2025

	General Fund	Sales Tax Fund	Economic Development Fund	Arts Council Fund	Total Governmental Funds
<u>Revenues</u>					
Taxes	\$ 332,623	\$ 4,240,018	\$ -	\$ -	\$ 4,572,641
Licenses and permits	366,268	-	-	-	366,268
Intergovernmental	375,739	-	-	-	375,739
Fines and forfeitures	40,462	-	-	-	40,462
Sanitation service fees	458,068	-	-	-	458,068
Prisoner housing fees	9,813	-	-	-	9,813
Subpoena & bond appearance fees	1,080	-	-	-	1,080
Rentals & recreational	26,065	-	-	-	26,065
Cemetery	42,590	-	-	-	42,590
Interest and miscellaneous	259,405	2,921	38,538	2,812	303,676
Total Revenues	<u>1,912,113</u>	<u>4,242,939</u>	<u>38,538</u>	<u>2,812</u>	<u>6,196,402</u>
<u>Expenditures</u>					
General government	1,385,753	27,560	-	-	1,413,313
Public safety – police	2,256,726	-	-	-	2,256,726
Public safety – fire	320,000	-	-	-	320,000
Streets	1,018,680	-	-	-	1,018,680
Sanitation	241,293	-	-	-	241,293
Community center	24,518	-	-	-	24,518
Cemetery	110,645	-	-	-	110,645
Parks and recreation	129,526	-	-	-	129,526
Economic development	-	-	72,692	-	72,692
Intergovernmental	31,665	-	-	-	31,665
Art development	-	-	-	9,164	9,164
Miscellaneous	45,557	-	-	-	45,557
Debt Service:					
Principal	80,313	-	-	-	80,313
Interest	24,123	-	-	-	24,123
Total Expenditures	<u>5,668,799</u>	<u>27,560</u>	<u>72,692</u>	<u>9,164</u>	<u>5,778,215</u>
Excess (Deficiency) of revenues over expenditures	<u>(3,756,686)</u>	<u>4,215,379</u>	<u>(34,154)</u>	<u>(6,352)</u>	<u>418,187</u>
<u>Other Financing Sources (Uses)</u>					
Insurance proceeds	17,348	-	-	-	17,348
Operating transfers in	4,235,646	-	105,226	12,000	4,352,872
Operating transfers out	(12,000)	(4,214,226)	(126,646)	-	(4,352,872)
Total other financing sources (uses)	<u>4,240,994</u>	<u>(4,214,226)</u>	<u>(21,420)</u>	<u>12,000</u>	<u>17,348</u>
Net change in Fund Balances	484,308	1,153	(55,574)	5,648	435,535
Fund balance, beg. of year	4,327,617	352,817	856,188	39,464	5,576,086
Fund balances, end of year	<u>\$ 4,811,925</u>	<u>\$ 353,970</u>	<u>\$ 800,614</u>	<u>\$ 45,112</u>	<u>\$ 6,011,621</u>

The accompanying notes are an integral part of this statement.

TOWN OF AMITE CITY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2025

Net change in fund balances - total governmental funds \$ 435,535

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. These differences consist of:

Capital outlay	365,114
Depreciation expense	(152,123)
Amortization Expense	(128,807)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of short-term and long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal payments of lease liability	80,313
---------------------------------------	--------

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These

Change in long-term compensated absences	(49,155)
Pension expense	(101,347)

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

Support revenues-pension	44,227
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Change in net position of governmental activities	\$ <u>493,757</u>
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The accompanying notes are an integral part of this statement.

Town of Amite City  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
June 30, 2025

Business – type Activity  
Waterworks and  
Sewer Fund

<u>Assets</u>	
<u>Current Assets</u>	
Cash and cash equivalents	\$ 181,225
Accounts receivable, net	469,171
Due from General Fund	73,171
Prepaid insurance	4,537
Total current assets	728,104
 <u>Restricted Assets</u>	
Cash and cash equivalents	2,408,475
 <u>Non-current Assets</u>	
Capital assets (net of accumulated depreciation)	25,809,005
Total assets	28,945,584
 <u>Deferred Outflow of Resources</u>	
Unamortized issuance costs	63,644
 <u>Liabilities</u>	
<u>Current Liabilities (payable from current assets)</u>	
Accounts, salaries, and other payables	294,116
Compensated absences payable	12,140
Contract retainage payable	596,222
Lease liabilities	34,866
Total current liabilities (payable from current assets)	937,344
 <u>Current Liabilities (payable from restricted assets)</u>	
Customer deposits	171,333
Revenue bonds payable	84,229
Total current liabilities (payable from restricted assets)	255,562
 <u>Non-current Liabilities</u>	
Compensated absences payable	18,541
Revenue bonds payable	11,561,929
Lease liabilities	136,589
Total non-current liabilities	11,717,059
Total liabilities	12,909,965
 <u>Net Position</u>	
Net investment in capital assets	13,458,813
Restricted for Debt Service	2,237,142
Unrestricted	403,308
Total net position	\$ 16,099,263

The accompanying notes are an integral part of this statement.

Town of Amite City

STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION - PROPRIETARY FUND  
For the Year Ended June 30, 2025

	<u>Business-type Activity</u> <u>Waterworks and</u> <u>Sewer Fund</u>
<u>Operating Revenues</u>	
Charges for services -	
Water sales	\$ 746,490
Sewer charges	868,157
Delinquent charges	34,505
Connection charges	12,962
Miscellaneous	<u>5,457</u>
Total operating revenues	<u>1,667,571</u>
<u>Operating Expenses</u>	
Salaries	576,207
Payroll taxes	43,094
Employee benefits	102,789
Electricity -	
Water pumps	49,228
Sewerage plant	116,288
Repairs/Supplies -	
Water system	288,855
Sewerage system	105,549
Insurance	40,861
Truck and equipment expense	67,220
Office expense	31,068
Water testing	20,127
Sewerage testing	50,288
Other	37,934
Amortization	34,719
Depreciation	<u>294,274</u>
Total operating expenses	<u>1,858,501</u>
Net operating income (loss)	<u>(190,930)</u>
<u>Non-operating Revenues (Expenses)</u>	
Loan Forgiveness	360,938
Capital Grants	6,100,026
Interest income	135,302
Interest expense	<u>(148,215)</u>
Total non-operating revenues	<u>6,448,051</u>
Change in net position	6,257,121
Total Net Position, Beginning	<u>9,842,142</u>
Total Net Position, Ending	<u>\$ 16,099,263</u>

The accompanying notes are an integral part of this statement.

Town of Amite City

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
For the Year Ended June 30, 2025

		<u>Business-type Activity</u> <u>Waterworks and</u> <u>Sewer Fund</u>
<u>Cash flows from operating activities:</u>		
Receipts from customers	\$	1,743,183
Payments to suppliers		(761,040)
Payments to employees		(722,090)
Net cash provided by operating activities		<u>260,053</u>
<u>Cash flows from capital and related financing activities:</u>		
Grant proceeds		6,859,603
Borrowings on DEQ loans		4,555,810
Payments on USDA loan		(80,600)
Payments on financing leases		(23,742)
Interest paid		(148,215)
Purchase of capital assets		(11,456,978)
Net cash (used) by capital and related financing activities		<u>(294,122)</u>
<u>Cash flows from investing activities:</u>		
Interest income		<u>135,302</u>
Net cash provided by investing activities		<u>135,302</u>
Net increase in cash and cash equivalents		101,233
Cash and cash equivalents balance – beginning of year		<u>2,488,467</u>
Cash and cash equivalents balance – end of year	\$	<u>2,589,700</u>
<u>Reconciliation of operating income to net</u> <u>cash provided by operating activities:</u>		
Operating (loss)	\$	(190,930)
Adjustments to reconcile operating income		
to net cash provided by operating activities:		
Depreciation expense		294,274
Amortization expense		34,719
Change in assets and liabilities:		
Receivables, net		(20,099)
Due from other funds		92,078
Prepaid insurance		(2,347)
Customer deposits		3,633
Accounts and other payables		48,725
Net cash provided by operating activities	\$	<u>260,053</u>
<u>Reconciliation of cash and cash equivalents to statement of net position</u>		
Cash and cash equivalents	\$	181,225
Restricted cash and cash equivalents		<u>2,408,475</u>
Total cash and cash equivalents	\$	<u>2,589,700</u>

The accompanying notes are an integral part of this statement.

Town of Amite City

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
June 30, 2025

	<u>Bond Money Fund</u>	<u>Prisoner Personal Money Fund</u>	<u>Total</u>
<u>Assets</u>			
Cash	\$ <u>6,945</u>	\$ <u>1,109</u>	\$ <u>8,054</u>
Total Assets	<u>6,945</u>	<u>1,109</u>	<u>8,054</u>
<u>Liabilities</u>			
Due to General Fund	285	-	285
Due to defendants	6,660	-	6,660
Due to inmates	<u>-</u>	<u>1,109</u>	<u>1,109</u>
Total Liabilities	<u>6,945</u>	<u>1,109</u>	<u>8,054</u>
<u>Net Position</u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

The accompanying notes are an integral part of this statement.

Town of Amite City

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS

For the Year Ended June 30, 2025

	<u>Bond Money</u> <u>Fund</u>	<u>Prisoner</u> <u>Personal</u> <u>Money Fund</u>	<u>Total</u>
<u>Additions</u>			
Bonds	\$ 46,156	\$ -	\$ 46,156
Inmates personal money	<u>-</u>	<u>2</u>	<u>2</u>
Total Additions	<u>46,156</u>	<u>2</u>	<u>46,158</u>
<u>Deductions</u>			
Settled Deposits	<u>46,156</u>	<u>2</u>	<u>46,158</u>
Total Deductions	<u>46,156</u>	<u>2</u>	<u>46,158</u>
Net increase (decrease) in fiduciary net position	-	-	-
Net position- beginning	<u>-</u>	<u>-</u>	<u>-</u>
Net position- ending	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

The accompanying notes are an integral part of this statement.

## **NOTES TO THE FINANCIAL STATEMENTS**

Town of Amite City

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2025

**INTRODUCTION**

The Town of Amite City, Louisiana (Town) was first incorporated on March 7, 1861. The Town adopted the provisions of Act 136 enacted on July 29, 1898, and became governed under the Lawrason Act. The Town is governed by an elected Mayor and Town Council. The Town provides the following services: public safety - police, streets, drainage, sanitation, culture/recreation, public improvements, planning and zoning, and general and administrative services. Other services include water and sewer services. The Town appropriates money for Fire District No. 1.

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

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY AND REPORTING MODEL**

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining the identification of a primary government unit for financial reporting purposes. The GASB has set forth criteria to be considered in determining which governmental entities are primary governments. An entity is a primary government if it satisfies all of the following criteria:

- The entity has a separate governing body elected by the citizenry in a general, popular election.
- The entity is legally separate from other entities.
- The entity is fiscally independent of other state and local governmental entities.

Based on the above criteria the Town has determined that the Town of Amite City, Louisiana, is a primary government and financial reporting entity in accordance with GASB Statement No. 14. The Town has also determined that there are no component units that should be considered part of the Town for financial reporting purposes.

The accompanying basic financial statements of the Town have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999.

GASB Statement No. 34 established new requirements and a new reporting model for the annual financial reports of state and local governments. The Statement was developed to make annual financial reports easier to understand and more useful to the people who use governmental financial information to make decisions. Following is a discussion on the new elements of the reporting model.

*Management's Discussion and Analysis* - GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "Management's Discussion and Analysis" (MD&A). This analysis is similar to analysis the private sector provides in their annual reports. Management has elected to omit the MD & A.

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025

*Government-Wide Financial Statements* - The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable), but also capital assets and long-term liabilities (such as buildings and infrastructure, including bridges and roads, and general obligation debt). Accrual accounting also reports all of the revenues and cost of providing services each year, not just those received or paid in the current year or soon thereafter.

*Statement of Net Position* - The statement of net position is designed to display the financial position of the primary government (government and business-type activities). Governments will report all capital assets, including infrastructure, in the government-wide Statement of Net Position and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories - 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

*Statement of Activities* - The new government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

*Budgetary Comparison Schedules* - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments and have a keen interest in following the actual financial process of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the current reporting model, governments provide budgetary comparison information in their annual reports.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, 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.

The statement of activities demonstrates the degree to which the direct expenses 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 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting 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.

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. The focus of governmental and proprietary fund financial statements is on "major" funds. Fund statements present in separate columns the General Fund, followed by major funds, with non-major funds aggregated and displayed in a separate column. The new model (GASB Statement 34) sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise funds combined) for the determination of major funds. In addition to the funds that meet the major fund criteria, any other governmental or enterprise fund that the government's officials believe is particularly important to financial statement users may be reported as a major fund.

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND  
FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Town implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, was implemented which establishes new financial reporting requirements for governments that provide their employees with pension benefits. Additional information about the Town's net pension liability is presented in the notes to the financial statements.

The Town implemented GASB Statement No. 72, *Fair Value Measurement and Application* as it relates to donated capital assets. Donated capital assets are to be measured at acquisition value.

The Town implemented policies established under GASB Statement No. 84, *Fiduciary Activities*. This standard defines and establishes criteria for identifying and reporting fiduciary activities. The focus of the criteria is on (1) whether the Town controls the assets in a fiduciary activity and (2) there are separate identifiable beneficiaries with whom a fiduciary relationship exists.

The Town implemented GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of the financial statement users by improving accounting and financial reporting for leases by governments. The Statement requires all leases (contracts that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange-like transaction) to be reported under a single accounting model for both lessors and lessees. Certain leases that were previously classified as operating leases are to be recognized as lease assets and liabilities. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The Town implemented policies established under GASB Statement No. 96, *Subscription Based Information Technology Agreements (SBITAs)*. This statement provides guidance on the accounting and financial reporting for SBITAs for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including the implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

The Town implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*.

The Town implemented policies under GASB Statement No. 100, *Accounting Changes and Error Corrections*, which is an amendment of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement requires that changes in accounting principles and error corrections be reported retroactively by restating prior periods, changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement also requires that information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025

During the year, the Town implemented policies established under GASB Statement No. 101, *Compensated Absences*. The primary objective of this Statement is better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. The adoption of this statement did not materially impact the Town's governmental or business-type activities at July 1, 2024.

During the fiscal year, the Town implemented policies under GASB Statement No. 102, *Certain Risk Disclosures*. This Statement establishes disclosure requirements regarding concentrations and constraints that could expose a government to certain risks of loss or limit its ability to provide services or meet obligations. Disclosures are required when (1) a concentration or constraint is known to the government prior to the issuance of the financial statements, (2) the concentration or constraint makes the reporting unit vulnerable to the risk of a substantial impact, and (3) an event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This statement has no impact on the Town's financial statements for the year ended June 30, 2025.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period (within 60 days of year end). Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports on the following major governmental funds:

General Fund

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

Special Revenue Funds:

The Sales Tax Fund accounts for the receipt and use of proceeds of the Town's 2% sales and use tax. The Town Council has dedicated a portion of collections of the sales and use tax, see Note 17 to these financial statements for details.

The Economic Development Fund accounts for the receipt and use of funds dedicated to economic development.

The Arts Council Fund accounts for the receipt and use of funds dedicated to art development.

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025

Proprietary Fund:

Enterprise fund - account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation and amortization) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided the 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 maintains one enterprise fund, the Waterworks and Sewer Fund, which provides water and sewer services.

Additionally, the Town reports the following fund type:

Fiduciary Funds:

The funds accounted for in this category by the Town are custodial funds.

The Bond Money Fund accounts for bond money held by the Town on behalf of the defendants prior to Mayor's court.

The Prisoner Personal Money Fund accounts for the personal money of prisoners being held by the Town during their incarceration. The funds are returned upon the prisoner's release.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) Fines and charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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. The principal operating revenues of the proprietary fund are user fees. Operating expenses for the proprietary fund include the cost of sales and services, administrative expenses, and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. DEPOSITS AND INVESTMENTS**

Cash and cash equivalents include cash on hand, amounts in demand deposits, interest-bearing demand deposits, and time deposit accounts. 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, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the municipality may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 12 months; however, if the original maturities are 12 months or less, they are classified as cash equivalents.

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025

**E. RECEIVABLES AND LEASED ASSET RECEIVABLES**

Receivables are shown net of an allowance for uncollectibles. Uncollectible amounts due for water, sewer, and garbage charges are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivables. Uncollectible amounts for property taxes are recorded as a reduction of current revenues.

Leased asset receivables are a result of leases in which the Town has entered into a contract with a lessee that delivers the right to use a nonfinancial asset of the Town as specified by the contract for a period of time in an exchange or exchange-like transaction. Such receivables are reported on the government – wide financial statements at present value of the lease payments to be received during the lease term. Additionally, the Town would recognize a deferred inflow of resources that is reported at the value of the lease receivable plus any payments received at or before the commencement of the lease for future periods. Assets of agreement entered into in which the Town is the lessor are retained as capital assets of the Town and are reported in the government-wide financial statements as described in the first paragraph of Note 1.I. The Town has not entered into any agreements delivering control of a right to use a nonfinancial asset to a lessee as described above at June 30, 2025.

**F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

**G. PREPAIDS**

Prepaid insurance is reported using the consumption method.

**H. RESTRICTED ASSETS**

Restricted assets consist of cash resources in the General Fund from drug seizures, grant money for the purchase of a vehicle, and cash and investment resources of the enterprise fund set aside for repayment of customer deposits and debt services. See Notes 14, 15, and 16 in regards to the revenue bond covenants that require the Town to set aside cash resources and revenue bond requirements.

**I. CAPITAL ASSETS**

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$500 or more for capitalizing capital assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if material, is included as part of the capitalized value of the assets constructed. As a Phase III government under GASB Statement No. 34, the Town elects not to retroactively report infrastructure assets prior to June 30, 2003.

All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Governmental activities -	
Buildings and building improvements	20 - 40 Years
Furniture and fixtures	5 - 10 Years

Town of Amite City

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2025

Vehicles	5 Years
Equipment	5 - 15 Years
Roads	20 Years
Water and Sewer Utility -	
Wells	25 Years
Storage tanks	40 Years
Lines and meters	40 Years
Sewerage system	40 Years

Right-of-use assets are a result of leases in which the Town has entered into a contract with a lessor that conveys control of the right-to-use the lessor’s nonfinancial asset as specified by the contract for a period of time in an exchange or exchange-like transaction. Such assets are reported on the government – wide financial statements net of amortization. A corresponding lease liability be recognized on the government-wide financial statements at the commencement of the lease term at the present value of payments expected to be made during the lease term (less any lease incentives). Right-of -use assets are amortized at the lessor of the useful life or lease term. The Town entered into four agreements gaining control of the right-to-use a lessor’s nonfinancial assets as described above during the fiscal year ended June 30, 2025.

A subscription-based information technology arrangement (SBITA) results from a contract that conveys control of the right-to-use another party’s (a SBITA vendor’s) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange like transaction. Such assets are recognized on the government – wide financial statements as a right-of-use SBITA, net of amortization. A corresponding subscription liability should be recognized on the government-wide financial statements at the present value of the subscription payments expected to be made during the subscription term. The Town has not entered into any agreements gaining control of the right-to-use SBITA assets as described above at June 30, 2025.

All right of use assets are amortized using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Governmental activities -	
Vehicles	5 Years
Equipment	5 Years

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

**J. COMPENSATED ABSENCES**

The Town has the following policy regarding annual and sick leave.

The earning of such leave shall be based on the equivalent of years of full-time service with the Town and for an employee having an administrative work week of five days shall be creditable at the end of each month in accordance with, or proportionate to, the following:

- a. Less than one year of service, at the rate of 1.54 hours of annual leave and 1.85 hours of sick leave per two week pay period.
- b. One year but less than ten years of service, at the rate of 3.08 hours of annual leave and 3.7 hours of sick leave per two week pay period.

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025

- c. Ten years or more of service, at the rate of 4.62 hours annual leave and 3.7 hours of sick leave per two week pay period.

Accrued unused annual leave earned by an employee shall be carried forward to the succeeding calendar year but not in excess of 240 hours as of the last day of the year, December 31st. Accrued unused sick leave earned by an employee shall be carried forward to the succeeding fiscal year without limitation.

Upon termination, all unused annual leave accrued by an employee shall be paid to the terminating employee not to exceed 240 hours. Employees with less than one year of full-time employment are not considered vested for annual leave purposes and any annual leave accrued upon termination shall be canceled.

Employees who resign or who are dismissed from employment shall not be paid for any accrued sick leave and all such leave shall be canceled.

Employees who retire at or after age 60 with at least 10 years of creditable full-time employment or at or after age 55 with at least 20 years of creditable full-time employment are entitled (as an employment benefit) to be paid for unused sick leave computed as follows:

For each year of creditable employment, an employee will be paid at date of retirement unused accrued sick leave at an amount equal to 1.67 percent for each year of creditable employment not to exceed 50 percent of the retiring employee's unused sick leave at date of retirement.

The Town maintains its sick leave records in units of hours (or days). The amount to be paid shall be the percent determined in the preceding paragraph multiplied by the unused sick leave hours at the employee's final-average hourly salary. Final-average hourly salary is the employee's average salary over the last 36 consecutive months at date of retirement. Retirement for this purpose shall be the same as defined by the Municipal Employees' Retirement System of Louisiana.

The cost of current leave privileges, computed in accordance with GASB Statement No. 101, is recognized as a current-year expenditure in the governmental funds when leave is actually taken. The cost of leave privileges not requiring current resources is recognized as a liability in the governmental activities statement of net position. Leave privileges associated with employees of the proprietary fund are recorded as a fund liability and operating expense. The current and noncurrent portions are recorded in the government-wide and proprietary fund financial statements.

**K. LONG-TERM OBLIGATIONS**

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as noncurrent liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of Net Position. Bond premiums and discounts, if any, as well as issuance costs, if any, are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize both premiums and discounts, if any, as well as bond issuance costs, if any, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances, if any, are reported as other financing sources while discounts on debt issuances, if any, are reported as other financing uses.

**L. RESTRICTED NET POSITION**

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use are either:

- externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025

- imposed by law through constitutional provisions or enabling legislation.

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

**M. FUND EQUITY**

Governmental fund equity is classified as fund balance. Beginning with fiscal year ending June 30, 2011, the Town implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either not in spendable form or they are legally contractually required to be maintained intact.

The Town has prepaid insurance which is a resource that is in a nonspendable form and therefore reported as Nonspendable Fund Balance.

- **Restricted:** This classification includes amounts in which the use of resources is constrained either by (a) external impositions by creditors, grantors, contributors, or laws or regulations of other governments or (b) impositions by law through constitutional provisions or enabling legislation.

The Town has classified fund balance in the General Fund as restricted due to the constraints of the Twenty-First Judicial District regarding seized drug money.

- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town Council, which is the Town's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the Town Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

The Town has committed resources in the Sales Tax Fund, the Economic Development Fund, the Arts Council Fund and the General Fund. In the Sales Tax Fund, the Town Council has committed these resources to the repayment of the USDA sewer loan and funding of certain accounts per the bond ordinance dated June 1, 2010, and the repayment of the USDA water loan and funding of certain accounts per the bond ordinance dated January 4, 2011. In the Economic Development Fund, the Town has committed resources dedicated to economic development per Ordinance No. 10-2003. In the Arts Council Fund, the Town has committed resources per Ordinance No. 3-2018. In the General Fund, the Town has committed resources for the future purchase of a garbage truck per Ordinance No. 16-2021.

- **Assigned:** This classification includes amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent should be expressed by the Town's governing body itself or a committee or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

The Town has assigned resources in the General Fund. Assigned Fund Balance in the General Fund represents monies for the purchase of new city barn, construction of a new police station, and cemetery maintenance.

- **Unassigned:** This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that is allowed to have a positive unassigned fund balance.

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2025

When fund balance resources are available for a specific purpose in multiple classifications, the Town will generally use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, the Town's management reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

**N. ESTIMATES**

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

**O. INTERFUND TRANSACTIONS**

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. For the purpose of the statement of activities, all interfund transfers between funds have been eliminated.

**P. ELIMINATION AND RECLASSIFICATION**

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 the "grossing up" effect on assets and liabilities within the governmental activities column.

**Q. AD VALOREM TAXES**

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes were levied by the Town in October and billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Tangipahoa Parish Sheriff's office bills, collects, and remits payments to the Town using the assessed values determined by the tax assessor of Tangipahoa Parish.

**R. SALES TAXES**

The Town assesses a 2% sales and use tax. The Mayor and Town Council have dedicated a portion of the sales and use tax, see Note 17 to these financial statements for details.

**S. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

In addition to assets, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The Town's items that qualify for this category are pension liability and bond issuance cost and are reported in the Statement of Net Position.

In addition to liabilities, the Statement of Net Position, or Balance Sheet, will sometimes report separate sections for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition

Town of Amite City

**NOTES TO FINANCIAL STATEMENTS**

As of and for the Year Ended June 30, 2025

of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) at that time. The Town's only item that qualifies for this category is pension liability. The amounts deferred and recognized as an inflow of resources in the period that the amounts become available.

(2) **STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. BUDGET**

Formal budgetary accounting is employed as a management control for all governmental funds of the Town. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the General Fund and Special Revenue Funds, and the same basis of accounting is used to reflect actual revenues and expenditures recognized on a generally accepted accounting principles basis. Budgets are prepared and adopted in accordance with the Louisiana Local Government Budget Act. Budgetary control is exercised at the fund level for each fund.

All budget appropriations lapse at the end of each fiscal year.

The original proposed budget for the General Fund and all special revenue funds was made available for public inspection on May 10, 2024. A public hearing was held at the Town's city hall on June 04, 2024. The budget was adopted on June 07, 2024.

The Budgets of the General Fund, Sales Tax Fund, Economic Development Fund, and Arts Council Fund were amended once during the fiscal year with the final amendment taking place on May 13, 2025.

3 **DEPOSITS AND INVESTMENTS**

At June 30, 2025, the Town had deposits and investments (book balances) totaling \$8,363,251 (excludes \$8,054 of fiduciary funds) as follows:

Statements of net position:

Cash and cash equivalents	\$ 5,944,848
Restricted asset – cash and cash equivalents	<u>2,418,403</u>
Total cash and cash equivalents	<u>\$ 8,363,251</u>

Deposits, investments, and other (GASB 3 and 40 disclosures) as of June 30, 2025, consists of the following:

Cash on hand	\$ 557
Deposits with financial institutions:	
Money market- public funds	2,722,895
Interest-bearing demand deposits	<u>5,639,799</u>
Total deposits and investments	<u>\$ 8,363,251</u>

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

Per GASB Statement 3, as amended by GASB 40; the Town's deposits are exposed to custodial credit risk since the collateral pledged by the fiscal agent is not held in the Town's name.

At June 30, 2025, the Town has \$12,688,705 in deposits (collected bank balances). These deposits are secured from

Town of Amite City

**NOTES TO FINANCIAL STATEMENTS**  
As of and for the Year Ended June 30, 2025

risk by \$500,000 of federal deposit insurance and \$11,993,050 is uninsured but collateralized with securities held by the custodial bank in the name of the fiscal agent bank. \$195,655 is uncollateralized as of June 30, 2025.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand.

(4) **RECEIVABLES**

Receivables at June 30, 2025, consist of the following:

<u>Class of Receivables</u>	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise</u>	<u>Total</u>
Taxes -				
Franchise and other	\$ 45,198	\$ -	\$ -	\$ 45,198
Occupational	41,141	-	-	41,141
Sales	-	352,832	-	352,832
Accounts -				
Prisoner housing fees	396	-	-	396
Garbage	39,919	-	-	39,919
Water and Sewer	-	-	163,164	163,164
Less: Allowance for Uncollectibles	(4,000)	-	(10,500)	(14,500)
Intergovernmental				
Beer Tax	2,422	-	-	2,422
Federal Grant	-	-	312,740	312,740
State Grant	15,660	-	-	15,660
Other	2,168	-	3,767	5,935
Totals	<u>\$ 142,904</u>	<u>\$ 352,832</u>	<u>\$ 469,171</u>	<u>\$ 964,907</u>

An allowance account for taxes receivable is not considered necessary.

(5) **AD VALOREM TAXES**

For the year ended June 30, 2025, taxes of 4.74 mills were levied on property with assessed valuations totaling \$30,213,516. Total taxes levied were \$143,214. Taxes receivable at June 30, 2025, were nil.

(6) **RESTRICTED ASSETS-CASH- GOVERNMENTAL FUNDS AND PROPRIETARY FUND TYPE**

Restricted assets were applicable to the following at June 30, 2025:

Governmental Funds:

General Fund – Drug seizure cash	\$ 9,928
	<u>\$ 9,928</u>

Proprietary Fund:

Customers' deposit – cash and investments	\$ 171,333
Revenue Bond requirements funds	2,237,142
	<u>\$ 2,408,475</u>

Town of Amite City

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2025

(7) **CAPITAL ASSETS**

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2025:

<u>Governmental Activities:</u>	<u>Balance</u> <u>06/30/24</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>06/30/25</u>
Capital assets not depreciated:				
Land and land improvements	\$ 1,331,872	\$ -	\$ -	\$ 1,331,872
Construction in progress	116,829	89,588	-	206,417
Inactive assets	3,193	-	-	3,193
Total capital assets, not depreciated	<u>1,451,894</u>	<u>89,588</u>	<u>-</u>	<u>1,541,482</u>
Capital assets, being depreciated/amortized				
Buildings	1,051,656	-	-	1,051,656
Improvements	552,491	-	-	552,491
Infrastructure	277,665	-	-	277,665
Vehicles	839,900	229,721	-	1,069,621
Office Equipment	75,780	-	-	75,780
Furniture & Fixtures	26,342	-	-	26,342
Machinery & Equipment	808,860	45,805	-	854,665
Lease assets	758,018	-	-	758,018
Total capital assets, being depreciated	<u>4,390,712</u>	<u>275,526</u>	<u>-</u>	<u>4,666,238</u>
Less: Accumulated depreciation/amortization				
Buildings	681,530	15,701	-	697,231
Improvements	480,955	9,360	-	490,315
Infrastructure	81,160	12,172	-	93,332
Vehicles	735,420	66,407	-	801,827
Office Equipment	46,795	4,651	-	51,446
Furniture & Fixtures	23,666	656	-	24,322
Machinery & Equipment	640,173	43,176	-	683,349
Lease assets	289,583	128,807	-	418,390
Total accumulated depreciation/amortization	<u>2,979,282</u>	<u>280,930</u>	<u>-</u>	<u>3,260,212</u>
Total capital assets, being depreciated/amortized, net	<u>1,411,430</u>	<u>(5,404)</u>	<u>-</u>	<u>1,406,026</u>
Governmental activities capital assets, net	<u>\$ 2,863,324</u>	<u>\$ 84,184</u>	<u>\$ -</u>	<u>\$ 2,947,508</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 9,213
Public safety	93,285
Streets	25,954
Sanitation	11,500
Parks and recreation	5,239
Community center	4,078
Economic Development	2,854
Total	<u>\$152,123</u>

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025

Amortization was charged to governmental function as follows:

Public safety- police \$ 128,807

Capital outlay expenditures charged to governmental functions were \$342,164 for public safety – police and \$22,950 for economic development.

The following is a summary of changes in capital assets for the business-type activity for the fiscal year ended June 30, 2025 :

<u>Business-type activity:</u>	<u>Balance</u> <u>06/30/24</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>06/30/25</u>
Capital assets, not being depreciated				
Land – water	\$ 36,392	\$ -	\$ -	\$ 36,392
Land – sewer	50,957	-	-	50,957
Construction in progress	<u>9,335,154</u>	<u>9,186,614</u>	<u>-</u>	<u>18,521,768</u>
Total capital assets not being depreciated	<u>9,422,503</u>	<u>9,186,614</u>	<u>-</u>	<u>18,609,117</u>
Capital assets, being depreciated/amortized				
Wells	1,085,455	-	-	1,085,455
Storage tanks	643,730	-	-	643,730
Water lines and meters	3,757,314	-	-	3,757,314
Sewerage system	6,758,943	-	-	6,758,943
Equipment	310,173	-	-	310,173
Lease assets	<u>-</u>	<u>195,198</u>	<u>-</u>	<u>195,198</u>
Total capital assets, being depreciated/amortized	<u>12,555,615</u>	<u>195,198</u>	<u>-</u>	<u>12,750,813</u>
Less: accumulated depreciation/amortization for:				
Wells	414,723	24,161	-	438,884
Storage tanks	415,583	11,407	-	426,990
Water lines and meters	1,173,780	85,822	-	1,259,602
Sewerage system	2,955,444	168,748	-	3,124,192
Equipment	270,289	4,136	-	274,425
Lease assets	<u>-</u>	<u>26,832</u>	<u>-</u>	<u>26,832</u>
Total accumulated depreciation/amortization	<u>5,229,819</u>	<u>321,106</u>	<u>-</u>	<u>5,550,925</u>
Total capital assets, being depreciated/amortized, net	<u>7,325,796</u>	<u>(125,908)</u>	<u>-</u>	<u>7,199,888</u>
Business-type activities capital assets, net	<u>\$ 16,748,299</u>	<u>\$ 9,060,706</u>	<u>\$ -</u>	<u>\$ 25,809,005</u>

Depreciation expense of \$ 294,274 was charged to the Waterworks and Sewer Fund, a business-type activity.

Amortization expense of \$ 26,832 was charged to the Waterworks and Sewer Fund, a business-type activity.

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025

(8) **PENSION PLAN**

Some of the police department employees of the Town are members of the Municipal Police Employees' Retirement System of Louisiana (System). This system is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The Town entered into a Section 218 agreement with the Social Security Administration effective January 1, 1954, which exempts police department employees from mandatory participation in the System. Pertinent information relative to the plan follows:

Municipal Police Employees' Retirement System of Louisiana

*Plan Description.* All full-time police department employees engaged in law enforcement are required to participate in the System unless exempted. Employees who retire at any age with 25 years of creditable service or at age 50 with at least 20 years of creditable service or at age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3-1/3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained at [www.lampers.org/auditreports.htm](http://www.lampers.org/auditreports.htm) or by writing to the Municipal Police Employees Retirement System of Louisiana, 7722 Office Park Blvd, Suite 200, Baton Rouge, Louisiana 70809-7601, or by calling (225) 929-7411.

*Funding Policy.* Plan members are required by state statute to contribute 10.0 % of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 35.60% of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by state statute. 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. In accordance with state statute, the Systems receive insurance premium taxes. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions of \$44,227 are recognized as revenue and excluded from pension expense for the year ended June 30, 2025. The Town of Amite City contributions to the System for the year ending June 30, 2025, was \$247,250, equal to the required contributions for each year.

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 \$1,540,465 for its proportionate share of the net pension liability. 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 pension plan relative to the projected contributions of all participating towns, actuarially determined. At June 30, 2024, the Town's proportion was .17003%.

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025

For the year ended June 30, 2025, the Town recognized pension expense of \$348,597. At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 83,405	\$ 46,600
Changes of assumptions	-	-
Net difference between projections and actual earnings on pension plan investments	42,824	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	154,874	75,165
Town contributions subsequent to the measurement date	<u>247,250</u>	<u>-</u>
 Total	 <u>\$ 528,353</u>	 <u>\$ 121,765</u>

\$247,250 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year ended June 30:	
2026	\$ 82,554
2027	\$ 134,805
2028	\$ (30,772)
2029	\$ (27,249)
2030	\$ -
Thereafter	\$ -

*Actuarial assumptions.* The total pension liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2024				
Actuarial cost method	Entry Age Normal Cost				
Investment rate of return (Net of investment expense)	2024 – 6.750%	2023- 6.750%	2022-6.750%	2021- 6.750%	2020- 6.950%
	2019- 7.125%	2018 – 7.20%	2017 -7.325%	2016- 7.5%	2015- 7.5%
Expected Remaining Service lives-	2024- 4 years	2023- 4 years	2022- 4 years	2021- 4 years	2020- 4 years
	2019- 4 years	2018- 4 years	2017- 4 years	2016- 4 years	2015- 4 years
Inflation rate	2024 – 2.50%	2023- 2.50%	2022-2.50%	2021- 2.50%	2020-2.50%
	2019- 2.50%	2018- 2.60%	2017- 2.70%	2016 2.875%	2015- 2.875%
Mortality	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 scale was used.				

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2025

For disabled lives, the Pub-2010 Public Retirement Plans 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 employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.

Cost-of-Living Adjustments

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period of July 1, 2014 through June 30, 2019, and review of similar law enforcement mortality. A change was made full generational mortality which combines the use of a base mortality table with appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combined with a standard table to produce current levels of mortality.

Salary Increases, Including inflation and merit	<u>Years of Service</u>	<u>Salary Growth Rate</u>
	1-2	12.30%
	Above 2	4.70%

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

Asset Class	<u>June 30, 2024</u>	
	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Equity	52%	3.14%
Fixed Income	34%	1.07%
Alternative	14%	1.03%
Totals	100%	5.24%
Inflation		2.62%
Expected Arithmetic Returns		<u>7.86%</u>

*Discount Rate.* The discount rate used to measure the total pension liability was 6.750%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on these assumptions, the System's fiduciary net position was projected to

Town of Amite City

**NOTES TO FINANCIAL STATEMENTS**

As of and for the Year Ended June 30, 2025

be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investment was applied to all periods of projected benefit payments to determine pension liability.

*Sensitivity to Changes in Discount Rate:*

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.750%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.750% or one percentage point higher 7.750% than the current date as of June 30, 2024.

	Changes in Discount Rate		
	1%	Current	1%
	Decreased	Discount Rate	Increase
	5.750%	6.750%	7.750%
Net Pension Liability	\$ 2,288,322	\$ 1,540,465	\$ 916,149

(9) **DEFERRED COMPENSATION PLAN**

The Town offers all town employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The Town matches the employees' contributions up to 10 percent of covered salaries. The assets of the plan are held in trust, (custodial account or annuity contract) as described in IRC Section 457 (g) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian thereof for the exclusive benefit of the participants holds the custodial account for the beneficiaries of this section 457 plan, and the assets may not be diverted to any other use. The Administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account, and all other matters. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in the Town of Amite City's financial statements.

(10) **RETIREMENT SYSTEM**

Employees of the Town who are not participants in the Municipal Police Employees' Retirement System of Louisiana are members of the social security system. In addition to employee payroll deductions, Town funds are remitted to match the employee contributions. Aggregate contributions to the social security system for the year ended June 30, 2025, were \$322,836 of which \$161,418 was contributed by the Town.

(11) **COMPENSATED ABSENCES**

At June 30, 2025, employees of the Town have accumulated and vested \$160,751 of employee leave benefits which was computed in accordance with GASB 101. Of this amount, \$130,070 is recorded as an obligation of the governmental activities. The leave liability for employees of the Enterprise Fund of \$30,681 is accounted for within the fund.

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025

(12) **NONCURRENT LIABILITIES**

**A. SUMMARY OF CHANGES IN LONG-TERM DEBT**

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

	Balance 6/30/24	Additions	Reductions	Balance 6/30/25	Due Within One Year
<b>Governmental Activities:</b>					
Lease liabilities	\$ 542,476	\$ -	\$ 80,313	\$ 462,163	\$ 81,246
Total Governmental Activities	\$ 542,476	\$ -	\$ 80,313	\$ 462,163	\$ 81,246
	Balance 6/30/24	Additions	Reductions	Balance 6/30/25	Due Within One Year
<b>Business-type Activities:</b>					
Revenue bonds payable:					
DEQ-SRF#1	\$ 1,664,089	\$ -	\$ 1,664,089	\$ -	\$ -
DEQ-SRF#2	2,374,197	6,219,899	360,938	8,233,158	1,000
USDA - Sewer	1,852,736	-	42,350	1,810,386	43,832
USDA - Water	1,640,864	-	38,250	1,602,614	39,397
Lease Liabilities	-	195,197	23,742	171,455	34,866
Total Bonds business- type activities	\$ 7,531,886	\$ 6,415,096	\$ 2,129,369	\$ 11,817,613	\$ 119,095

**B. LEASE ASSETS**

The Town entered into 3 different finance purchase agreement for the purchase of 5 police vehicles, 20 taser / body cameras, and 4 water department vehicles. The agreements meet the criteria of a lease established under GASB Statement No. 87 since ownership of the underlying is being transferred to the Town. Lease payments are reflected as debt service expenditures at the government fund reporting level. The remaining assets acquired through leases are as follows:

	Governmental Activities	Business-Type Activities	Total
Lease assets:			
Vehicles	\$ 405,625	\$ 195,197	\$ 600,822
Equipment	352,393	-	352,393
Total Lease Assets	758,018	195,197	953,215
Less Accumulated Amortization	(418,390)	(26,832)	(445,222)
Total Lease Assets, net	\$ 339,628	\$ 168,365	\$ 507,993

On June 23,2022, the Town entered into a finance lease agreement with Axon Enterprises, Inc. for the lease of 20 tasers and body cameras. The effective date of the lease obligation is from July 2022 through July 2031 with an effective interest rate of 3.09%. The annual payments are \$40,258. Total Payments for the fiscal year ended June 30, 2025 are \$40,258 (principal of \$31,529 interest of \$8,729 which is reported in the Public safety- police function).

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025

On January 15, 2024, the Town entered into a finance lease agreement with Municipal Asset Management, Inc. for the lease of 5 Chevy Tahoes. The effective date of the lease obligation is from January 15, 2024, through January 15, 2029, with an effective interest rate of 6.19%. The semi-annual payments are \$30,628. Total Payments for the fiscal year ended June 30, 2025 are \$64,179 (principal of \$48,784 interest of \$15,395 which is reported in the Public safety- police function).

On September 16, 2024, the Town entered into 3 finance lease agreements with Enterprise Holdings, Inc. for the lease of 3 Ford F-250s. The effective date of the lease obligation is from October 1, 2024, through September 1, 2029, with an effective interest rate of 7.54%. The monthly payments are \$971.62 each. On December 16, 2024, the Town entered into 1 finance lease agreement with Municipal Asset Management, Inc. for the lease of a Ford F-250s. The effective date of the lease obligation is from January 1, 2025, through December 1, 2029, with an effective interest rate of 8.13%. The monthly payment is \$988.98. Payments for the fiscal year ended June 30, 2025 are \$32,168 (principal of \$23,742 interest of \$8,426 which is reported in the business-type activities as waterworks and sewer function).

**C. BONDS**

Revenue bonds payable are comprised of the following issue:

- a.) \$2,262,000 Utilities Revenue Bonds, Series 2011A, dated June 14, 2011.  
Due in annual installments of \$28,000 to \$103,000 starting in January 2013 ending January 2051; interest at 3.5% payable annually starting January 2012. \$ 1,810,386
  - b.) \$1,995,000 Utilities Revenue Bonds, Series 2011B, dated January 31, 2012.  
Due in annual installments of \$27,000 to \$84,000 starting in January 2014 ending January 2052; interest at 3.0% payable annually starting January 2013. 1,602,614
  - c.) \$8,233,158 of an authorized \$23,000,000 Taxable Utilities Revenue Bond, Series 2023B, dated December 1, 2023. Due in annual installments of \$1,000 to \$1,249,000 starting in April 2026 ending April 2035, interest at .45% payable semi-annually starting April 2026. 8,233,158
- Total Revenue Bonds Payable \$ 11,646,158**

**D. DEBT SERVICE REQUIREMENTS TO MATURITY**

Governmental Activities-Lease Liabilities:

1.The annual requirements to amortize the lease liabilities outstanding as of June 30, 2025, including interest, are as follows:

<u>Year</u>		<u>Principal</u>		<u>Interest</u>		<u>Total</u>
2026	\$	81,246	\$	20,267	\$	101,513
2027		85,314		16,199		101,513
2028		89,606		11,907		101,513
2029		94,136		7,377		101,513
2030		36,710		3,547		40,257
2031-2033		75,151		3,656		78,807
Total	\$	<u>462,163</u>	\$	<u>62,953</u>	\$	<u>525,116</u>

Town of Amite City

**NOTES TO FINANCIAL STATEMENTS**  
As of and for the Year Ended June 30, 2025

Business-type Activities:

1. The annual requirements to amortize the Revenue Bonds debt outstanding as of June 30, 2025, including interest, are as follows:

<u>Year Ending June 30</u>	<u>Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 84,229	\$ 149,195	\$ 233,424
2027	86,945	145,777	232,722
2028	89,750	142,969	232,719
2029	1,271,647	140,067	1,411,714
2030	1,285,639	131,765	1,417,404
2031-2035	6,380,795	528,940	6,909,735
2036-2040	612,652	360,739	973,391
2041-2045	719,652	253,739	973,391
2046-2050	845,462	127,929	973,391
2051-2052	269,387	11,563	280,950
Total	\$ 11,646,158	\$ 1,992,683	\$ 13,638,841

2. The annual requirements to amortize the lease liabilities outstanding as of June 30, 2025, including interest, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 34,866	\$ 11,979	\$ 46,845
2027	37,643	9,205	46,848
2028	40,640	6,208	46,848
2029	43,874	2,971	46,845
2030	14,432	246	14,678
Total	\$ 171,455	\$ 30,609	\$ 202,064

**E. CHANGES IN OTHER LONG-TERM LIABILITIES**

During the year ended June 30, 2025, the Town had the following changes in noncurrent liabilities.

	<u>Balance</u> <u>06/30/24</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/25</u>	<u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>					
Compensated Absences*	\$ 80,915	\$ 49,155	\$ -	\$ 130,070	\$ 81,000
Total government activities	\$ 80,915	\$ 49,155	\$ -	\$ 130,070	\$ 81,000
	<u>Balance</u> <u>06/30/24</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/25</u>	<u>Due Within</u> <u>One Year</u>
<u>Business-Type Activities:</u>					
Compensated Absences*	\$ 17,000	\$ 13,681	\$ -	\$ 30,681	\$ 12,140
Total government activities	\$ 17,000	\$ 13,681	\$ -	\$ 30,681	\$ 12,140

\* The change in compensated absences above is a net change for the year.

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025

(13) **DEDICATION OF PROCEED & FLOW OF FUNDS - UTILITIES REVENUE - USDA - SEWER**

The Town through its governing authority adopted an ordinance on June 1, 2010, authorizing the issuance of Utilities Revenue Bonds, Series 2011A, in the amount of \$2,262,000 to pay for the cost to construct and acquire improvements, extensions, renovations and/or replacements to the sewerage system of the Town. The ordinance also authorized the execution of a Loan and Pledge Agreement with the United States Department of Agriculture - Rural Development providing for the sale and delivery of said bonds to the United States Department of Agriculture - Rural Development; prescribing the form, fixing the details, and providing for the payment of principal and interest on such bonds, entering into certain covenants and agreements in connection with the security and payment of said bonds. In that ordinance and the Loan and Pledge Agreement, the income and revenues of the combined sewerage system and waterworks system are irrevocably pledged and dedicated in an amount sufficient for payment of the bonds authorized and interest as they become due and for other purposes. In that ordinance and the Loan and Pledge Agreement, certain funds are required to be established as follows:

Utilities System Fund - The bond ordinance and the Loan and Pledge Agreement require that all revenues of the System shall be deposited in a separately identifiable account to be established with the Town's fiscal agent bank and designated as the "Utilities System Fund". The revenues deposited into the Utilities System Fund shall be expended in the following priority:

- 1.) Pay all reasonable and necessary expenses of operating and maintaining the Sewerage System
- 2.) Establish and fund a Sinking Fund as follows:

Money from the Utilities System Fund shall be deposited into the Sinking Fund in amounts sufficient to pay promptly and fully the principal of and interest on the Borrower Bonds and any Parity Obligations issued or hereafter as they severally become due and payable.

Money from the Utilities System Fund shall be transferred into the "Sinking Fund" monthly in advance on or before the twentieth (20<sup>th</sup>) day of each month of each year in an amount equal to the principal and interest with respect to the Borrower Bonds for such calendar month, together with such additional proportionate sum as may be required to pay such principal and interest as the same respectively become due.

Money in the Sinking Fund shall be deposited as trust funds and shall be used solely and are hereby expressly exclusively pledged for the purpose of paying principal of, interest on, and administrative fee, if any, with respect to the Borrower Bonds and any Parity Obligations. The borrower shall require its fiscal agent bank to transfer from the Sinking Fund to the paying agent (as defined in the Authorizing Ordinance) and any other paying agent bank or bank for any Parity Obligations payable from the Sinking Fund at least three (3) days in advance of each Interest payment date and principal payment date, funds fully sufficient to pay promptly the principal and interest falling due on such dates.

At June 30, 2025, the Town was **in compliance** with this covenant.

- 3.) Establish and fund a Reserve Fund as follows:

From the Revenue Fund, there shall be transferred monthly in advance on or before the twentieth (20<sup>th</sup>) day of each month of each year, to a separately identifiable account to be established with the Town's fiscal agent bank and designated as the Utilities Revenue Bond Reserve Fund, "Reserve" a sum at least equal to 25% of the amount required to be paid into the Sinking Fund for such month until such fund has accumulated an amount equal to the Reserve Fund Requirement; which is \$204,909 through 2052.

At June 30, 2025, the Town was **in compliance** with this covenant.

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025

4.) Establish and fund a Utilities Depreciation and Contingency Fund as follows:

There is to be established and maintained with a Fiscal Agent Bank pursuant to the Authorizing Ordinance a separately identifiable fund or account designated as the "Utilities Depreciation and Contingency Fund". There shall be transferred to the Contingency Fund, on or before the twentieth (20<sup>th</sup>) day of each month of each year, an amount equal to five percent (5%) of the amount to be paid into the sinking fund.

Money accumulated in this fund may also be used to pay principal and interest on the bonds falling due at any time there is not sufficient money for payment in the Sinking Fund or the Reserve Fund.

At June 30, 2025, the Town was **in compliance** with this covenant.

5.) Establish and fund a Sewer Component Short-Lived Assets Fund as follows:

From the Revenue Fund, there shall be transferred monthly in advance on or before the twentieth (20<sup>th</sup>) day of each month of each year, to a separately identifiable account to be established with the Town's fiscal agent bank and designated as the Sewer Component Short-Lived Assets Fund, (the "Assets Fund") to provide for the maintenance and replacement of short lived assets of the System. The transfer shall be \$1,486 per month over the life of the bonds.

At June 30, 2025, the Town was **in compliance** with this covenant.

(14) **COMPLIANCE WITH UTILITIES REVENUE BONDS COVENANTS - USDA – SEWER**

The Town through its governing authority adopted an ordinance on June 1, 2010, authorizing the issuance of Utilities Revenue Bonds, Series 2011A, in the amount of \$2,262,000 to pay for the cost to construct and acquire improvements, extensions, renovations and/or replacements to the sewerage system of the Town. The ordinance also authorized the execution of a Loan and Pledge Agreement with the United States Department of Agriculture - Rural Development providing for the sale and delivery of said bonds to the United States Department of Agriculture - Rural Development; prescribing the form, fixing the details, and providing for the payment of principal and interest on such bonds, entering into certain covenants and agreements in connection with the security and payment of said bonds.

The major covenants contained in the bond resolution and agreement and the manner in which the Town has complied with these covenants is described as follows:

Rate Covenant - In the bond ordinance and agreement, the Town obligated itself to fix, establish, maintain, and collect such rates, fees, rents, and other charges of the services and facilities of the System and to revise rates whenever necessary to provide revenues in each fiscal year sufficient to:

- a. pay the reasonable and necessary expenses of operating and maintaining the System;
- b. provide a reserve therefore and all other obligations or indebtedness payable out of the revenues of the System;
- c. provide reasonable depreciation and contingency funds to care for depreciation, extensions, additions, improvements and replacements necessary to properly operate the System; and
- d. provide net revenues in an amount equal to 120% of the largest amount of principal and interest on the DEQ loan and this sewer loan and any additional bonds hereafter.

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025

The Town was **in compliance** with items a., b., c., and d. of the above rate covenant for the year ended June 30, 2025.

In connection with the rate covenant, the bond ordinance also contains specific procedures with regards to delinquent utility customers. The Town agreed that the failure of any person or business to pay the charges for any service rendered by the System within fifteen (15) days of the date on which it is due shall cause such charge to become delinquent; that if such delinquent charge, with interest and penalties accrued thereon, is not paid within ten (10) days from the date on which it became delinquent, the Town will shut off water and sewer services to the affected premises.

The delinquent charge will be ten percent (10%) of the amount of the charge, and the amount so due, including the penalty charge, shall, after thirty (30) days from the date of delinquency, bear interest at a reasonable rate of at least six percent (6%) per annum.

If a delinquent customer has had their service discontinued, the customer shall pay the delinquent charge, penalty, interest, and a reasonable re-connection charge in order to resume service.

At June 30, 2025, the Town was **in compliance** with the delinquent utility customers section of the bond ordinance.

The bond ordinance states that the delinquent charge will be 10 percent (10%) of the charge for water and sewer service. The Town charges a 10 percent (10%) penalty for all customers.

Records, Accounts, and Audit Requirements- The bond ordinance and loan agreement requires the Town to maintain and keep accurate records and accounts for the System separate and distinct from its other records and accounts. These System records shall be maintained in accordance with generally accepted accounting standards and shall be audited annually by an independent certified public accountant.

As of June 30, 2025, the Town was **in compliance** with this covenant as the Town was under contract with a certified public accountant for an audit of its records for the year ended June 30, 2025.

Insurance and Fidelity Bonds- The bond ordinance requires the Town to carry full coverage of insurance on the System while the loan agreement requires the Town to maintain insurance policies that will provide against the risk of direct physical loss, damage, or destruction of the System including liability coverage. In addition, per the bond ordinance the Town is required to obtain fidelity bonds on all its officers and employees in a position of authority or in possession of money derived from the operation of the System. The amount of coverage should be adequate enough to protect the Town from loss.

At June 30, 2025, the Town was **in compliance** with this covenant.

(15) **DEDICATION OF PROCEED & FLOW OF FUNDS - UTILITIES REVENUE - USDA - WATER**

The Town through its governing authority adopted an ordinance on January 4, 2011, authorizing the issuance of Utilities Revenue Bonds, Series 2011B, in the amount of \$1,995,000 to pay for the cost of constructing and acquiring improvements and renovations to the water system of the Town. The ordinance also authorized the execution of a Loan and Pledge Agreement with the United States Department of Agriculture - Rural Development providing for the sale and delivery of said bonds to the United States Department of Agriculture - Rural Development; prescribing the form, fixing the details, and providing for the payment of principal and interest on such bonds; and entering into certain covenants and agreements in connection with the security and payment of said bonds. In that ordinance and the Loan and Pledge Agreement, the income and revenues of the combined sewerage system and waterworks system are irrevocably pledged and dedicated in an amount sufficient for payment of the bonds authorized and interest as they become due and for other purposes. In that ordinance and the Loan and Pledge Agreement, certain funds are required to be established as follows:

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025

Utilities System Fund - The bond ordinance and the Loan and Pledge Agreement require that all revenues of the System shall be deposited in a separately identifiable account to be established with the Town's fiscal agent bank and designated as the "Utilities System Fund". The revenues deposited into the Utilities System Fund shall be expended in the following priority:

- 1.) Pay all reasonable and necessary expenses of operating and maintaining the Water System.
- 2.) Establish and fund a Sinking Fund as follows:

Money from the Utilities System Fund shall be deposited into the Sinking Fund in amounts sufficient to pay promptly and fully the principal of and interest on the Borrower Bonds and any Parity Obligations issued or hereafter as they severally become due and payable.

Money from the Utilities System Fund shall be transferred into the "Sinking Fund" monthly in advance on or before the twentieth (20<sup>th</sup>) day of each month of each year in an amount equal to the principal and interest with respect to the Borrower Bonds for such calendar month, together with such additional proportionate sum as may be required to pay such principal and interest as the same respectively become due.

Money in the Sinking Fund shall be deposited as trust funds and shall be used solely and are hereby expressly exclusively pledged for the purpose of paying principal of, interest on, and administrative fee, if any, with respect to the Borrower Bonds and any Parity Obligations. The borrower shall require its fiscal agent bank to transfer from the Sinking Fund to the paying agent (as defined in the Authorizing Ordinance) and any other paying agent bank or bank for any Parity Obligations payable from the Sinking Fund at least three (3) days in advance of each interest payment date and principal payment date, funds fully sufficient to pay promptly the principal and interest falling due on such dates.

At June 30, 2025, the Town was **in compliance** with this covenant.

- 3.) Establish and fund a Reserve Fund as follows:

From the Revenue Fund, there shall be transferred monthly in advance on or before the twentieth (20<sup>th</sup>) day of each month of each year, to a separately identifiable account to be established with the Town's fiscal agent bank and designated as the Utilities Revenue Bond Reserve Fund, "Reserve" a sum at least equal to 25% of the amount required to be paid into the Sinking Fund for such month until such fund has accumulated an amount equal to the Reserve Fund Requirement; which is \$291,860 through 2052.

At June 30, 2025, the Town was **in compliance** with this covenant.

- 4.) Establish and fund a Utilities Depreciation and Contingency Fund as follows:

There is to be established and maintained with a Fiscal Agent Bank pursuant to the Authorizing Ordinance a separately identifiable fund or account designated as the "Utilities Depreciation and Contingency Fund". There shall be transferred to the Contingency Fund, on or before the twentieth (20<sup>th</sup>) day of each month of each year, an amount equal to five percent (5%) of the amount to be paid into the sinking fund.

Money accumulated in this fund may also be used to pay principal and interest on the bonds falling due at any time there is not sufficient money for payment in the Sinking Fund or the Reserve Fund.

At June 30, 2025, the Town was **in compliance** with this covenant.

- 5.) Establish and fund a Water Component Short-Lived Assets Fund as follows:

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025

From the Revenue Fund, there shall be transferred monthly in advance on or before the twentieth (20<sup>th</sup>) day of each month of each year, to a separately identifiable account to be established with the Town's fiscal agent bank and designated as the Water Component Short-Lived Assets Fund, (the "Assets Fund") to provide for the maintenance and replacement of short lived assets of the System. The transfer shall be \$2,400 per month over the life of the bonds.

At June 30, 2025, the Town was **in compliance** with this covenant.

(16) **COMPLIANCE WITH UTILITIES REVENUE BONDS COVENANTS - USDA - WATER**

The Town through its governing authority adopted an ordinance on January 4, 2011, authorizing the issuance of Utilities Revenue Bonds, Series 2011B, in the amount of \$1,995,000 to pay for the cost of constructing and acquiring improvements and renovations to the water system of the Town. The ordinance also authorized the execution of a Loan and Pledge Agreement with the United States Department of Agriculture - Rural Development providing for the sale and delivery of said bonds to the United States Department of Agriculture - Rural Development; prescribing the form, fixing the details, and providing for the payment of principal and interest on such bonds; and entering into certain covenants and agreements in connection with the security and payment of said bonds.

The major covenants contained in the bond resolution and agreement and the manner in which the Town has complied with these covenants is described as follows:

Rate Covenant - In the bond ordinance and agreement, the Town obligated itself to fix, establish, maintain, and collect such rates, fees, rents, and other charges of the services and facilities of the System and to revise rates whenever necessary to provide revenues in each fiscal year sufficient to:

- a. pay the reasonable and necessary expenses of operating and maintaining the System;
- b. provide a reserve therefore and all other obligations or indebtedness payable out of the revenues of the System;
- c. provide reasonable depreciation and contingency funds to care for depreciation, extensions, additions, improvements and replacements necessary to properly operate the System; and
- d. provide net revenues in an amount equal to 120% of the largest amount of principal and interest on the DEQ loan and this sewer loan and any additional bonds hereafter.

The Town was **in compliance** with items a., b., c., and d. of the above rate covenant for the year ended June 30, 2025.

In connection with the rate covenant, the bond ordinance also contains specific procedures with regards to delinquent utility customers. The Town agreed that the failure of any person or business to pay the charges for any service rendered by the System within fifteen (15) days of the date on which it is due shall cause such charge to become delinquent; that if such delinquent charge, with interest and penalties accrued thereon, is not paid within ten (10) days from the date on which it became delinquent, the Town will shut off water and sewer services to the affected premises.

The delinquent charge will be ten percent (10%) of the amount of the charge, and the amount so due, including the penalty charge, shall, after thirty (30) days from the date of delinquency, bear interest at a reasonable rate of at least six percent (6%) per annum.

If a delinquent customer has had their service discontinued, the customer shall pay the delinquent charge, penalty, interest, and a reasonable re-connection charge in order to resume service.

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025

At June 30, 2025, the Town was **in compliance** with the delinquent utility customers section of the bond ordinance.

The bond ordinance states that the delinquent charge will be 10 percent (10%) of the charge for water and sewer service. The Town charges a 10 percent (10%) penalty for all customers.

Records, Accounts, and Audit Requirements- The bond ordinance and loan agreement requires the Town to maintain and keep accurate records and accounts for the System separate and distinct from its other records and accounts. These System records shall be maintained in accordance with generally accepted accounting standards and shall be audited annually by an independent certified public accountant.

As of June 30, 2025, the Town was **in compliance** with this covenant as the Town was under contract with a certified public accountant for an audit of its records for the year ended June 30, 2025.

Insurance and Fidelity Bonds- The bond ordinance requires the Town to carry full coverage of insurance on the System while the loan agreement requires the Town to maintain insurance policies that will provide against the risk of direct physical loss, damage, or destruction of the System including liability coverage. In addition, per the bond ordinance the Town is required to obtain fidelity bonds on all its officers and employees in a position of authority or in possession of money derived from the operation of the System. The amount of coverage should be adequate enough to protect the Town from loss.

At June 30, 2025, the Town was in **compliance** with this covenant.

(17) **DEDICATION OF PROCEEDS & FLOW OF FUNDS - SALES AND USE TAX**

A portion of the proceeds of a 2% sales and use tax levied by the Town net of collection expenses (2025, \$4,212,458) are dedicated as follows:

1. Provide funds for an economic development fund to be used at the discretion of the Mayor and Board of Aldermen. This funding totals 2.5% of sales and use tax collections.

The dedication is based on an ordinance adopted July 1, 2003.

2. The proceeds of the 2% sales and use tax are pledged toward the operating expenses of the Waterworks and Sewer System in connection with the issuance of Utilities Revenue Bonds, Series 2011A.

The dedication is based on adoption of Ordinance No. 8-2010 on June 1, 2010.

3. The proceeds of the 2% sales and use tax are pledged toward the operating expenses of the Waterworks and Sewer System in connection with the issuance of Utilities Revenue Bonds, Series 2011B.

The dedication is based on adoption of Ordinance No. 1-2011 on January 4, 2011.

All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted dedications shall be regarded as surplus and may be used for any lawful corporate purpose.

The Town's sales and use taxes are collected by the Central Collection Commission (CCC) of Tangipahoa Parish. For these services, the Town pays CCC a monthly charge of .65 percent of amounts collected plus expenses.

Town of Amite City

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2025

(18) **INTERFUND RECEIVABLES AND PAYABLES / TRANSFERS**

A. Balances due to/from other funds at June 30, 2025, consist of the following:

Due from the Economic Development Fund to the General Fund for expenses	\$ 69,698
Due to the General Fund from the Bond Money Fund for underpayment of fine money	285
Due to the Waterworks Fund from the General Fund to offset cash shortage	<u>73,171</u>
	<u>\$ 143,154</u>

Summary of balances due from (to) other funds reported in fund financial statements:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
Balance Sheet – Governmental Funds	\$ 69,983	\$ 142,869
Statement of Net Position - Proprietary Fund	73,171	-
Statement of Fiduciary Net Position	-	285
	\$ 143,154	\$ 143,154

B. Interfund transfers at June 30, 2025, consist of the following:

From the Sales Tax Fund to the General Fund to subsidize operations	\$ 4,109,000
From the Sales Tax Fund to the Economic Development Fund as required by Ordinance 10-2003	105,226
From the Economic Development Fund to General Fund to subsidize operations	126,646
From the General Fund to the Arts Council Fund a required the annual budget	<u>12,000</u>
	<u>\$ 4,352,872</u>

(19) **LITIGATION AND CLAIMS**

At June 30, 2025, the Town is involved in litigation or is aware of various claims totaling an undetermined amount. No amounts have been accrued related to litigation and claims as of June 30, 2025.

(20) **COMPENSATION PAID MAYOR, CHIEF OF POLICE, TOWN COUNCIL, AND BOARD MEMBERS**

Amounts paid to or on behalf of the Mayor, Chief of Police, and members of the Town Council as compensation are as follows:

Walter Daniels, Mayor	\$ 30,000
Lendrick Francois, Chief of Police	87,497
 <u>Town Council</u>	
Jonathon Foster	6,270
Damon S. Ellzey	6,270
Roseline A. Sumrall	12,540
Kenyetta Richardson	11,400
Maria Coleman	5,700
Shirley Core	6,175
Charles M. Guzzardo	<u>11,875</u>
	<u>\$ 177,727</u>

Town of Amite City

**NOTES TO FINANCIAL STATEMENTS**

As of and for the Year Ended June 30, 2025

Compensation paid to the board members of the Town of Amite City's Planning and Zoning Commission for the year ended June 30, 2025, is as follows:

Wash Edwards	\$ 250
Irma Kelly	250
Mary Lou Lee	100
Chic Core	100
	<u>\$ 700</u>

(21) **ON BEHALF PAYMENTS BY STATE OF LOUISIANA**

For the year ended June 30, 2025 the State of Louisiana made on behalf payments in the form of supplemental pay to the Town's policemen. In accordance with GASB 24, the Town has recorded \$90,200 of on behalf payments as revenue and as expense in the General Fund.

(22) **RISKS AND UNCERTAINTIES**

The Town of Amite City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town attempts to minimize risk from significant losses through the purchase of commercial insurance.

(23) **CUSTODIAL CREDIT RISK – DEPOSITS**

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2025, \$12,688,705 of the Town's bank balances are exposed to custodial credit risk. The \$11,993,050 is uninsured but collateralized with securities held by the pledging institution's trust department or agent, but not in the Town's name. \$195,655 is uncollateralized as of June 30, 2025.

(24) **COMMITMENTS AND CONTINGENCIES**

The Town had four professional service contracts as of June 30, 2025. At year end, the commitments were with the following professionals. These contracts are due within the next fiscal year, June 30, 2026.

	Spent to <u>Date</u>	Remaining <u>Commitment</u>
Larry's Lawn Care	\$ 67,500	\$ 94,500
Consolidated Services	\$2,558,011	\$ 2,015,762
MCA Engineering LLC	\$2,480,333	\$ 2,830,667
NCMC, LLC- Phase 1	\$7,662,462	\$ 874,538
NCMC, LLC- Phase 2	\$3,363,000	\$34,609,000

(25) **TAX ABATEMENTS**

The Louisiana Industrial Ad Valorem Tax Exemption Program (ITEP) is an original state incentive program which offers attractive tax incentive for manufacturers within the state. The program abates, for up to ten years, local property taxes (ad valorem) on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. This exemption is granted per contract with the Louisiana Department of Economic Development and will specify the buildings and / or personal property items covered by the exemption. There are currently no tax abatements in the Town of Amite City.

Town of Amite City

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2025

(26) **SUBSEQUENT EVENTS**

Subsequent to June 30, 2025, the following events occurred:

Subsequent events have been evaluated by management through December 19, 2025, the date the financial statements were available for issuance. No other events were noted requiring recording or additional disclosure in the financial statements for the year ending June 30, 2025.

**REQUIRED SUPPLEMENTARY INFORMATION (Part II)**

Town of Amite City

**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND-SUMMARY**  
**For the Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Taxes	\$ 340,000	\$ 311,000	\$ 332,623	\$ 21,623
Licenses and permits	237,000	183,500	366,268	182,768
Intergovernmental	216,200	392,900	375,739	(17,161)
Fines and forfeitures	45,000	30,000	40,462	10,462
Sanitation service fees	460,000	469,000	458,068	(10,932)
Prisoner housing fees	16,000	8,000	9,813	1,813
Subpoena & bond appearance fees	1,800	1,000	1,080	80
Rentals and recreational	15,500	21,000	26,065	5,065
Cemetery	50,000	47,000	42,590	(4,410)
Miscellaneous	293,250	254,300	259,405	5,105
Total revenues	1,674,750	1,717,700	1,912,113	194,413
<u>Expenditures</u>				
Current-				
General government	1,494,800	1,200,100	1,385,753	(185,653)
Public safety- police	2,652,634	2,577,517	2,256,726	320,791
Public safety- fire	320,000	320,000	320,000	-
Streets	1,262,500	1,314,000	1,018,680	295,320
Sanitation	266,000	266,000	241,293	24,707
Community Center	27,550	28,800	24,518	4,282
Cemetery	141,550	121,800	110,645	11,155
Parks and recreation	125,800	138,000	129,526	8,474
Intergovernmental (DMV)	30,000	22,000	31,665	(9,665)
Miscellaneous	42,150	42,400	45,557	(3,157)
Debt Service:				
Principal	61,256	61,256	80,313	(19,057)
Interest	-	-	24,123	(24,123)
Total expenditures	6,424,240	6,091,873	5,668,799	423,074
(Deficiency) of revenues over expenditures	(4,749,490)	(4,374,173)	(3,756,686)	617,487
<u>Other financing sources (uses)</u>				
Operating transfers in	4,216,875	4,193,800	4,235,646	41,846
Transfer to Arts Council	(12,000)	(12,000)	(12,000)	-
Insurance proceeds	-	-	17,348	17,348
Total other financing sources (uses)	4,204,875	4,181,800	4,240,994	59,194
Net change in Fund Balance	(544,615)	(192,373)	484,308	676,681
Fund balance - beginning	3,678,138	4,327,617	4,327,617	-
Fund balance - ending	\$ 3,133,523	\$ 4,135,244	\$ 4,811,925	\$ 676,681

See independent auditors' report

Town of Amite City

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND - DETAIL

For the Year Ended June 30, 2025

<u>Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Taxes-				
Ad Valorem	\$ 150,000	\$ 141,000	\$ 145,412	\$ 4,412
Public utilities franchise	190,000	170,000	187,211	17,211
Licenses and permits-				
Occupational licenses	215,000	160,000	341,343	181,343
Chain store licenses & Beer Liquor	13,000	13,500	13,845	345
Permits	9,000	10,000	11,080	1,080
Intergovernmental-				
Beer taxes	12,500	11,000	11,230	230
Federal grants -Capital District -Police	-	3,400	4,145	745
State Grant- LGAP	-	33,000	-	(33,000)
State Grant- Capital Outlay	-	96,000	94,835	(1,165)
State Grant - Act 776	-	20,000	20,000	-
State Grant- Police Incentive Pay	-	15,000	15,000	-
State highway maintenance	5,300	5,300	5,300	-
Department of Motor Vehicles	42,000	48,000	58,377	10,377
On behalf payments by the state	86,400	84,600	90,200	5,600
In school officer-TPSB	65,000	72,500	72,538	38
AHS Football Security	5,000	4,100	4,114	14
Fines and forfeitures	45,000	30,000	40,462	10,462
Charges for services-				
Garbage fees	460,000	469,000	458,068	(10,932)
Prisoner housing fees	16,000	8,000	9,813	1,813
Subpoena & bond appearance fees	1,800	1,000	1,080	80
Rentals and recreational	15,500	21,000	26,065	5,065
Cemetery	50,000	47,000	42,590	(4,410)
Miscellaneous revenues-				
Coke Fund	250	300	450	150
Interest	205,000	205,000	220,332	15,332
Miscellaneous	80,000	41,000	29,998	(11,002)
Accident reports	8,000	8,000	8,625	625
Total revenues	<u>\$ 1,674,750</u>	<u>\$ 1,717,700</u>	<u>\$ 1,912,113</u>	<u>\$ 194,413</u>

(Continued)

See independent auditors' report

Town of Amite City

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND - DETAIL

For the Year Ended June 30, 2025

<u>General Government</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Salaries - Mayor and Council	\$ 87,000	\$ 87,000	\$ 87,000	\$ -
Salaries - City Clerk & Tax Collector	48,000	56,300	56,088	212
Salaries - Others	314,500	193,500	198,953	(5,453)
Retirement contributions	57,000	43,000	77,392	(34,392)
Employee benefits- Health, Life, Dental	170,000	130,000	123,740	6,260
Payroll taxes	164,000	80,000	163,959	(83,959)
Attorney	80,000	80,000	80,000	-
Audit and accounting services	70,000	96,000	102,956	(6,956)
Insurance (all departments)	305,000	210,000	321,359	(111,359)
Office expense	22,000	22,000	19,845	2,155
Official journal	2,500	1,500	1,793	(293)
City Hall utilities	18,500	18,000	16,810	1,190
City Hall telephones	13,000	13,000	12,981	19
City Hall maintenance	14,000	14,000	14,016	(16)
Convention expense	5,000	8,000	7,996	4
Dues	3,500	3,500	2,886	614
Ad Valorem collection fees	19,000	5,000	5,000	-
Assessor and tax roll	4,000	-	-	-
Compliance officer & expenses	7,200	7,200	7,250	(50)
Travel	6,500	5,000	1,666	3,334
Medical expense	500	500	1,163	(663)
Miscellaneous	11,000	14,000	12,567	1,433
Contract services	2,100	2,300	1,735	565
Magistrate judge and city prosecutor	39,000	38,000	38,000	-
Janitorial - city hall	4,000	4,000	3,497	503
Consultants	-	800	800	-
Election expense	-	-	2,655	(2,655)
Mayor's court expense	3,500	3,500	3,353	147
Subpoena wages & Bond expense	1,000	1,000	-	1,000
Equipment acquisition	3,000	33,000	-	33,000
Computer Software	20,000	30,000	20,293	9,707
Total General Government	<u>\$ 1,494,800</u>	<u>\$ 1,200,100</u>	<u>\$ 1,385,753</u>	<u>\$ (185,653)</u>

(Continued)

See independent auditors' report

Town of Amite City

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND - DETAIL  
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
<u>Public Safety - Police</u>				
Salaries - Chief of Police	\$ 87,600	\$ 87,600	\$ 87,497	\$ 103
Salaries and benefits	1,698,737	1,507,465	1,188,152	319,313
In School Officer	65,532	72,538	36,384	36,154
On behalf payments by state	86,400	84,600	90,200	(5,600)
Retirement contributions	190,000	190,000	247,250	(57,250)
Auto fuel	147,050	50,000	49,899	101
Auto repairs	22,200	48,662	9,405	39,257
Auto Maintenance	17,000	13,000	9,092	3,908
Auto Insurance	-	47,808	47,808	-
Uniforms	16,000	16,000	14,011	1,989
Repairs and maintenance	9,000	16,500	19,154	(2,654)
Prisoner expense	19,700	19,700	18,131	1,569
Office expense	20,500	20,500	14,530	5,970
Schools - conventions	8,000	12,000	10,286	1,714
Utilities	29,000	29,000	32,266	(3,266)
Equipment rent	2,200	2,200	2,233	(33)
Equipment	78,200	95,200	68,605	26,595
Technology	15,000	17,000	16,544	456
Medical	3,000	3,000	1,455	1,545
Police Misc	800	2,000	1,398	602
Police construction	-	89,588	89,588	-
Police grant expense	6,215	5,798	1,440	4,358
JAG Grant Expense	-	4,358	4,358	-
Subpeona Wages	1,000	-	-	-
Informant monies	1,500	-	-	-
Drug Fund	5,000	-	-	-
Capital acquisitions-Vehicles	123,000	143,000	197,040	(54,040)
Total Public Safety - Police	<u>\$ 2,652,634</u>	<u>\$ 2,577,517</u>	<u>\$ 2,256,726</u>	<u>\$ 320,791</u>
 <u>Public Safety - Fire</u>				
Fire Protection District No. 1	\$ 320,000	\$ 320,000	\$ 320,000	\$ -
Total Public Safety - Fire	<u>\$ 320,000</u>	<u>\$ 320,000</u>	<u>\$ 320,000</u>	<u>\$ -</u>

(Continued)  
See independent auditors' report

Town of Amite City

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND - DETAIL

For the Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>Streets</u>				
Salaries and benefits	\$ 722,000	\$ 690,000	\$ 700,494	\$ (10,494)
Street and traffic lights	120,000	125,000	124,267	733
Equipment fuel	25,000	30,000	22,633	7,367
Landfill	21,000	19,000	16,464	2,536
Materials and supplies	40,000	70,000	71,248	(1,248)
Uniforms	15,000	21,000	20,730	270
Utilities	13,000	13,000	12,853	147
Street vehicle maintenance	35,000	20,000	13,642	6,358
Street Drainage	1,500	-	701	(701)
Capital acquisitions	215,000	260,000	2,750	257,250
Building Rental-Maint Facility	5,000	6,000	6,000	-
District Public Works	50,000	60,000	26,898	33,102
Total Streets	<u>\$ 1,262,500</u>	<u>\$ 1,314,000</u>	<u>\$ 1,018,680</u>	<u>\$ 295,320</u>
<u>Sanitation</u>				
Salaries and Benefits	\$ 73,000	\$ 72,000	\$ 70,428	\$ 1,572
Equipment repairs, supplies, uniform	68,000	68,000	58,100	9,900
Fuel	28,000	15,000	13,667	1,333
Landfill	97,000	111,000	99,098	11,902
Total Sanitation	<u>\$ 266,000</u>	<u>\$ 266,000</u>	<u>\$ 241,293</u>	<u>\$ 24,707</u>
<u>Community Center</u>				
Salaries and Benefits	\$ 2,800	\$ 3,800	\$ 3,476	\$ 324
Utilities	12,000	14,000	10,306	3,694
Repairs and supplies	12,000	11,000	10,736	264
Equipment acquisition	750	-	-	-
Total Community Center	<u>\$ 27,550</u>	<u>\$ 28,800</u>	<u>\$ 24,518</u>	<u>\$ 4,282</u>
<u>Cemetery</u>				
Salaries	\$ 27,000	\$ 18,500	\$ 18,355	\$ 145
Contract Mowing	71,000	71,000	71,000	-
Office Supplies	750	500	-	500
Materials, supplies, and fuel	13,000	12,000	9,483	2,517
Cemetery slab	20,000	15,000	9,475	5,525
Miscellaneous	8,000	3,000	907	2,093
Utilities	1,800	1,800	1,425	375
Total Cemetery	<u>\$ 141,550</u>	<u>\$ 121,800</u>	<u>\$ 110,645</u>	<u>\$ 11,155</u>

(Continued)

See independent auditors' report

Town of Amite City

**BUDGETARY COMPARISON SCHEDULE**

**GENERAL FUND - DETAIL**

**For the Year Ended June 30, 2025**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with</u>
	<u>Budget</u>	<u>Budget</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<u>Parks and Recreation</u>				
Salaries and Benefits	\$ 19,000	\$ 18,000	\$ 17,554	446
Repairs, supplies, and beautification	3,000	15,000	11,632	3,368
Utilities	7,800	9,000	9,340	(340)
Park improvements	5,000	5,000	-	5,000
Contract Mowing	91,000	91,000	91,000	-
Total Parks and Recreation	<u>\$ 125,800</u>	<u>\$ 138,000</u>	<u>\$ 129,526</u>	<u>\$ 8,474</u>
 <u>Intergovernmental (DMV)</u>				
Maintenance, Repairs and Supplies	\$ 5,000	\$ 5,000	\$ 7,678	\$ (2,678)
Utilities	22,000	14,000	21,087	(7,087)
Janitorial	3,000	3,000	2,900	100
Total intergovernmental	<u>\$ 30,000</u>	<u>\$ 22,000</u>	<u>\$ 31,665</u>	<u>\$ (9,665)</u>
 <u>Miscellaneous</u>				
Coroner	\$ 10,000	\$ 10,000	\$ 11,335	\$ (1,335)
Dilapidated Properties	1,000	-	-	-
Senior citizens	16,000	19,000	21,089	(2,089)
Planning and zoning	900	900	710	190
Animal shelter	12,500	12,500	12,423	77
Chamber of Commerce	1,750	-	-	-
Total Miscellaneous	<u>\$ 42,150</u>	<u>\$ 42,400</u>	<u>\$ 45,557</u>	<u>\$ (3,157)</u>
 <u>Debt Service</u>				
Principal	\$ 61,256	\$ 61,256	\$ 80,313	\$ (19,057)
Interest	-	-	24,123	(24,123)
Total Debt Service	<u>\$ 61,256</u>	<u>\$ 61,256</u>	<u>\$ 104,436</u>	<u>\$ (43,180)</u>
 <u>Other Financing Sources (Uses)</u>				
Insurance proceeds	\$ -	\$ -	\$ 17,348	17,348
Operating transfers in:				
Sales Tax Fund	4,216,875	4,038,500	4,109,000	70,500
Economic Development	-	155,300	126,646	(28,654)
Operating transfers (out):				
Arts Council Fund	(12,000)	(12,000)	(12,000)	-
Total Other Financing Sources (Uses)	<u>\$ 4,204,875</u>	<u>\$ 4,181,800</u>	<u>\$ 4,240,994</u>	<u>\$ 59,194</u>

(Concluded)

See independent auditors' report

Town of Amite City

BUDGETARY COMPARISON SCHEDULE

SALES TAX FUND

For the Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>Revenues</u>				
Sales taxes	\$ 4,353,000	\$ 4,167,000	\$ 4,240,018	\$ 73,018
Interest	<u>1,000</u>	<u>2,000</u>	<u>2,921</u>	<u>921</u>
Total revenues	<u>4,354,000</u>	<u>4,169,000</u>	<u>4,242,939</u>	<u>73,939</u>
<u>Expenditures</u>				
General government - Collection fees	<u>28,300</u>	<u>27,000</u>	<u>27,560</u>	<u>(560)</u>
Total expenditures	<u>28,300</u>	<u>27,000</u>	<u>27,560</u>	<u>(560)</u>
Excess of revenues over expenditures	<u>4,325,700</u>	<u>4,142,000</u>	<u>4,215,379</u>	<u>73,379</u>
<u>Other financing (uses)</u>				
Transfer to General Fund	(4,216,875)	(4,038,500)	(4,109,000)	(70,500)
Transfer to Economic Development	<u>(108,825)</u>	<u>(103,500)</u>	<u>(105,226)</u>	<u>(1,726)</u>
Total other financing (uses)	<u>(4,325,700)</u>	<u>(4,142,000)</u>	<u>(4,214,226)</u>	<u>(72,226)</u>
Net change in Fund Balance	-	-	1,153	1,153
Fund balance - beginning	<u>352,997</u>	<u>352,817</u>	<u>352,817</u>	<u>-</u>
Fund balance – ending	<u>\$ 352,997</u>	<u>\$ 352,817</u>	<u>\$ 353,970</u>	<u>\$ 1,153</u>

Town of Amite City

**BUDGETARY COMPARISON SCHEDULE**  
**ECONOMIC DEVELOPMENT FUND**  
**For the Year Ended June 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>Revenues</u>				
Interest	\$ 30,000	\$ 28,000	\$ 38,538	\$ 10,538
Total revenues	<u>30,000</u>	<u>28,000</u>	<u>38,538</u>	<u>10,538</u>
<u>Expenditures</u>				
TEDF Dues	2,000	2,000	2,055	(55)
Chamber of Commerce	20,000	20,000	15,485	4,515
Vehicle Purchase	-	24,000	22,950	1,050
Utilities	5,000	6,000	1,422	4,578
Miscellaneous Expenditure	<u>3,000</u>	<u>3,000</u>	<u>30,780</u>	<u>(27,780)</u>
Total Expenditures	<u>30,000</u>	<u>55,000</u>	<u>72,692</u>	<u>(17,692)</u>
Excess (Deficiency) of revenues over expenditures	-	(27,000)	(34,154)	(7,154)
<u>Other financing sources (uses)</u>				
Operating transfers in(out):				
Sales Tax Fund	108,825	103,500	105,226	1,726
General Fund	<u>-</u>	<u>(155,300)</u>	<u>(126,646)</u>	<u>28,654</u>
Total other financing sources(uses)	<u>108,825</u>	<u>(51,800)</u>	<u>(21,420)</u>	<u>30,380</u>
Net change in Fund Balance	108,825	(78,800)	(55,574)	23,226
Fund balance – beginning	<u>803,896</u>	<u>856,188</u>	<u>856,188</u>	<u>-</u>
Fund balance – ending	<u>\$ 912,721</u>	<u>\$ 777,388</u>	<u>\$ 800,614</u>	<u>\$ 23,226</u>

Town of Amite City

**BUDGETARY COMPARISON SCHEDULE**  
**ARTS COUNCIL FUND**  
**For the Year Ended June 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>Revenues</u>				
Interest	\$ 1,900	\$ 1,300	\$ 1,817	\$ 517
Event Ticket Sales	850	225	225	-
Art Camp	150	30	770	740
Drama Camp	150	-	-	-
Total revenues	<u>3,050</u>	<u>1,555</u>	<u>2,812</u>	<u>1,257</u>
<u>Expenditures</u>				
Art Development	6,000	6,000	5,354	646
Entergy	1,300	1,300	1,053	247
Christmas Show	3,000	3,000	2,757	243
Capital Acquisition	-	7,200	-	7,200
Spring Education Program	2,000	-	-	-
Total expenditures	<u>12,300</u>	<u>17,500</u>	<u>9,164</u>	<u>8,336</u>
(Deficiency) of revenues over expenditures	(9,250)	(15,945)	(6,352)	9,593
<u>Other financing sources</u>				
Operating transfer in:				
General Fund	12,000	12,000	12,000	-
Total other financing sources	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
Net change in Fund Balance	2,750	(3,945)	5,648	9,593
Fund balance – beginning	<u>35,202</u>	<u>39,464</u>	<u>39,464</u>	<u>-</u>
Fund balance – ending	<u>\$ 37,952</u>	<u>\$ 35,519</u>	<u>\$ 45,112</u>	<u>\$ 9,593</u>

Town of Amite City

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET  
PENSION LIABILITY MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM  
For the Year Ended June 30, 2025

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Town's proportion of the net pension liability	.1336%	.1259%	.1079%	.1072%	.1338%	.1245%	.1303%	.1783%	.1599%	.1700%
Town's proportionate share of the net pension liability	\$ 1,047,141	\$ 1,179,794	\$ 942,641	\$ 906,411	\$ 1,215,146	\$ 1,150,947	\$ 694,410	\$ 1,823,033	\$ 1,690,099	\$1,540,465
Town's covered payroll	\$ 353,166	\$ 321,150	\$ 320,808	\$ 417,848	\$ 384,640	\$ 397,433	\$ 550,587	\$ 541,929	\$ 599,388	\$694,524
Town's proportionate share of the net pension liability as a percentage of its covered payroll	296.50%	367.37%	293.83%	216.92%	315.92%	289.60%	126.12%	336.39%	281.97%	221.82%
Plan fiduciary net position as a percentage of the total pension liability	70.73%	66.04%	70.08%	71.89%	71.01%	70.94%	84.09%	70.80%	71.30%	75.84%

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

Data reported is measured as of June 30, 2024, (measurement date).

See independent auditors' report.

Town of Amite City

SCHEDULE OF THE TOWN'S CONTRIBUTIONS  
MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM  
For the Year Ended June 30, 2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	\$ 104,912	\$ 102,261	\$ 97,313	\$ 134,757	\$ 125,009	\$ 134,152	\$ 163,844	\$ 164,027	\$ 169,652	\$ 203,342
Contributions in relation to the contractually required contribution	\$ 104,912	\$ 102,261	\$ 97,313	\$ 134,757	\$ 125,009	\$ 134,152	\$ 163,844	\$ 164,027	\$ 169,652	\$ 203,342
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 353,166	\$ 321,150	\$ 320,808	\$ 417,848	\$ 384,640	\$ 397,433	\$ 550,587	\$ 541,929	\$ 599,388	\$ 694,524
Contributions as a percentage of covered payroll	29.70%	31.84%	30.33%	32.23%	32.80%	33.75%	29.75%	30.28%	28.30%	29.28%

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

Data reported is measured as of June 30, 2024, (measurement date).

See independent auditors' report.

**OTHER SUPPLEMENTARY INFORMATION**

Town of Amite City

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2025

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b><u>U.S. Department of Environmental Protection Agency:</u></b>			
Passed through Louisiana Department of Environmental Quality			
Clean Water State Revolving Fund	66.458		<u>2,601,427</u>
Total U.S. Department of Environmental Protection Agency			<u>2,601,427</u>
<b><u>U.S. Department of Treasury</u></b>			
Passed through Louisiana Office of Community Development			
* COVID-19 State and Local Fiscal Recovery Funds	21.027		<u>5,702,591</u>
Total U.S. Department of Treasury			<u>5,702,591</u>
<b><u>U.S. Department of Justice</u></b>			
Passed through Louisiana Commission on Law Enforcement			
Edward Bryne Justice Assistance Grant	16.738		<u>4,145</u>
Total U.S. Department of Justice			<u>4,145</u>
 Total Expenditures of Federal Awards			 <u><u>\$ 8,308,163</u></u>

Note 1- This schedule of expenditures of federal awards includes the federal grant activity of Town of Amite City and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note 2- The Town of Amite City has elected not to use the 10 percent de minimis indirect cost rate allowed under Uniform Guidance.

\* - Major program

See independent auditors' report

Town of Amite City

SCHEDULE OF COMPENSATION, BENEFITS,  
AND OTHER PAYMENTS TO AGENCY HEADS  
For the Year Ended June 30, 2025

**Agency Head: Walter Daniels, Mayor**

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 30,000
Benefits – Medicare	435
Telephone	847
Travel	1,554
Workers Compensation Insurance	<u>149</u>
	<u>\$ 32,985</u>

**Agency Head: Lendrick Francois, Elected Chief of Police**

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 87,497
State Supplemental Pay	7,200
Benefits – Insurance	29,982
Benefits – Retirement (35.60% MPERS)	33,712
Benefits – Medicare	1,373
Telephone	519
Travel	2,205
Workers Compensation Insurance	<u>5,404</u>
	<u>\$ 167,892</u>

Town of Amite City

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY  
For the Year Ended June 30, 2025

	<u>First Six Month Period Ended 12/31/2024</u>	<u>Second Six Month Period Ended 06/30/2025</u>
Amounts Collected – Beginning Balance	\$ <u>7,909</u>	\$ <u>12,439</u>
<u>Collections:</u>		
Bond Fees	26,409	19,747
Interest Earnings on Collected Balances	<u>345</u>	<u>293</u>
Total Collections	<u>26,754</u>	<u>20,040</u>
<u>Disbursements To Governments and Nonprofits:</u>		
Crime Stoppers of Tangipahoa, Inc., criminal court costs/fees	237	226
LDH-THSCI Trust Fund	15	5
Florida Parishes Juvenile Justice, criminal court costs/fees	591	565
Louisiana Commission of Law Enforcement, criminal court costs/fees	421	431
Louisiana Supreme Court, criminal court costs/fees	60	56
Louisiana State Treasurer, criminal court costs/fees	357	339
<u>Amounts “Self-Disbursed” to Collecting Agency:</u>		
Town of Amite City, Bond Fees	420	660
Town of Amite City, Criminal Fines - Other	18,778	22,097
<u>Disbursements to Individuals/3<sup>rd</sup> Party Collection or Processing Agencies:</u>		
Collection agency fee	-	285
Bond Fee Refunds	884	470
Restitution	<u>461</u>	<u>400</u>
Total Disbursements/Retainage	<u>22,224</u>	<u>25,534</u>
Amounts Collected/Not Disbursed/Retained – Ending Balance	\$ <u>12,439</u>	\$ <u>6,945</u>

See independent auditors' report.

**OTHER INDEPENDENT AUDITOR'S REPORTS  
AND FINDINGS**



**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**

To the Honorable Mayor and  
Members of the Town Council,  
Town of Amite City, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America, *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, of the **TOWN OF AMITE CITY (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 December 19, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered 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 Town's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 Town's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001, 2025-002, 2025-003, 2025-004, and 2025-005, that we consider to be material weaknesses.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the *Louisiana Governmental Audit Guide* and which is described in the accompanying schedule of findings and questioned costs as item 2025-001 and 2025-006.

## **The Town's Response to Findings**

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

## **Purpose of this Report**

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

This report is intended solely for the information and use of the Town Council and management, the Louisiana Legislative Auditor, and federal and state agencies, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

*Faulk & Winkler, LLC*  
Certified Public Accountants

Baton Rouge, Louisiana  
December 19, 2025



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Mayor and  
Members of the Town Council,  
Town of Amite City, Louisiana

**Report on Compliance for Each Major Federal Program**

***Opinion on Major Federal Program***

We have audited the **TOWN OF AMITE CITY, LOUISIANA** (Town) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of the Town's major federal programs for the year ended June 30, 2025. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

***Basis for Opinion on Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibility for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Town's federal programs.

### ***Auditors' Responsibility for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. 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 (GAAS), *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2025-002. Our opinion on the major federal program is not modified with respect to these matters.

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

### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-001, 2025-002, and 2025-003 that we consider to be material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of the Town Council, management of the Town, the Louisiana Legislative Auditor, and federal and state agencies, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Faulk & Winkler, LLC*  
Certified Public Accountants

Baton Rouge, Louisiana  
December 19, 2025

**TOWN OF AMITE CITY, LOUISIANA**

**SUMMARY OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

For the year ended June 30, 2025

**2024-001 Internal Controls over Utility Systems**

This matter is considered resolved.

# TOWN OF AMITE CITY, LOUISIANA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2025

### 1) Summary of Auditors' Results:

- A) The type of report issued on the financial statements: **Unmodified opinion.**
- B) Significant deficiencies in internal control that were disclosed by the audit of financial statements: **None reported.**
- C) Material weaknesses: **2025-001, 2025-002, 2025-003, 2025-004, and 2025-005.**
- D) Noncompliance which is material to the financial statements: **2025-001 and 2025-006.**
- E) The type of report issued on compliance for major program: **Unmodified opinion.**
- F) Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a): **2025-001, 2025-002, and 2025-003.**
- G) Identification of Major Program:

#### **U.S. Department of Treasury**

- 1) COVID-19: Coronavirus State and Local Fiscal Recovery Funds Assistance listing #21.027

- H) Dollar threshold used to distinguish between Type A and Type B programs: **\$750,000.**
- I) Auditee qualified as a low-risk auditee: **No.**

- 2) Findings relating to the financial statements reported in accordance with *Government Auditing Standards* and *the Louisiana Governmental Audit Guide*: **2025-001, 2025-002, 2025-003, 2025-004, 2025-005, and 2025-006.**

# TOWN OF AMITE CITY, LOUISIANA

## SUMMARY OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2025

### 3) FINDINGS – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

#### 2025-001: Documentation of Internal Controls over Federal Awards

**Year Finding Originated:** 2025

**Criteria:** Under Uniform Guidance (2 CFR §200.302, §200.303, §200.305, §200.318–§200.326, and §200.430), a non-federal entity must establish, document, and maintain written policies and procedures for the management of federal awards. Effective internal control over federal awards provides reasonable assurance that the entity is managing the award in compliance with federal statutes, regulations, and the terms and conditions of the awards.

**Condition:** The Town did not have written policies and procedures required by Uniform Guidance (2 CFR 200) for the administration of its federal programs. Specifically, the Town has not formally documented policies and procedures addressing key areas required under the Uniform Guidance, including but not limited to allowable and unallowable costs and cost principles, procurement standards, suspension and debarment, conflicts of interest, cash management, and reporting and record retention requirements. While informal processes exist, they are not sufficiently documented to ensure consistent application or compliance with federal requirements.

**Cause:** The Town has not developed or formally adopted written federal grant management policies and procedures.

**Effect:** Without formal written policies and procedures, there is an increased risk of noncompliance with federal program requirements. This condition exposes the Town to potential noncompliance with federal regulations, increases the risk of unallowable costs being charged to federal awards, and may affect the Town's ability to properly administer, monitor, and report federal program activity. Additionally, the lack of documentation may impair continuity of compliance in the event of change in key personnel.

**Recommendation:** The Town should develop, formally adopt, and implement written policies and procedures to comply with Uniform Guidance (2 CFR 200). The policies should address all major compliance areas, including but not limited to allowable and unallowable costs and cost principles, procurement standards, suspension and debarment, conflicts of interest, cash management, and reporting and record retention requirements. The Town should ensure that staff responsible for federal grant administration are properly trained to ensure adherence to these policies and that the policies are reviewed periodically and updated as needed.

**Views of responsible officials:** See management's responses to findings on Page 78.

3) **FINDINGS – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
(CONTINUED)**

**2025-002: Internal Controls over General Procurement Standards**

**U.S. Department of Treasury**

**21.027 - COVID-19: Coronavirus State and Local Fiscal Recovery Funds**

**Year Finding Originated: 2025**

**Criteria:** Per 2 CFR § 200.318(d), non-Federal entities must avoid the acquisition of unnecessary or duplicative items. Non-federal entities are required to maintain effective procurement procedures and internal controls to ensure goods and services procured with federal funds are necessary, reasonable, and not duplicative.

**Condition:** While performing procedures over the Town’s federal grant program activity, we noted that the Town incurred a duplicated cost when it processed and paid the same contractor invoice twice.

**Cause:** The Town has not established or implemented written procedures requiring staff to review previous purchases or confirm whether services have been performed before initiating new procurements.

**Effect:** Failure to ensure that goods purchased and services procured are necessary and non-duplicative increases the risk of waste and mismanagement of federal funds. This may result in unallowable costs being charged to federal awards and could require repayment of questioned costs to the granting agency.

**Questioned Cost:** \$37,430.

**Recommendation:** As discussed at item 2025-001, we recommend Town develop, formally adopt, and implement written policies and procedures to comply with Uniform Guidance (2 CFR 200).

**Views of responsible officials:** See management’s responses to findings on Page 78.

**2025-003: Internal Controls over Compliance with Suspension and Debarment**

**Year Finding Originated: 2025**

**Criteria:** Uniform Guidance (2 CFR §200.214 and §200.318(h)) prohibits non-federal entities from contracting with or making subawards to parties that are suspended or debarred. Entities must verify vendor eligibility by:

- Checking SAM.gov,
- Obtaining a vendor certification, or
- Adding a clause in contracts stating the vendor is not suspended or debarred.

### 3) FINDINGS – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

#### 2025-003: Internal Controls over Compliance with Suspension and Debarment (Continued)

**Condition:** The Town did not have adequate internal controls to ensure compliance with the suspension and debarment requirements of the Uniform Guidance when procuring goods or services using federal funds.

**Cause:** The Town had not established written procedures or implemented controls to ensure required suspension and debarment checks were performed and documented during procurement involving federal funds.

**Effect:** Without controls to ensure compliance with suspension and debarment requirements, the Town is at increased risk of awarding federal funds to ineligible vendors. This could result in unallowable costs, questioned costs, or potential repayment of federal funds.

**Recommendation:** The Town should develop and implement written policies and procedures requiring documentation of suspension and debarment checks before entering into contracts funded with federal awards. Acceptable methods include maintaining SAM.gov eligibility verification screenshots, obtaining vendor certifications, or including appropriate contract language.

**Views of responsible officials:** See management’s responses to findings on Page 78.

### 4) FINDINGS – FINANCIAL STATEMENT

#### 2025-004 Written Policies and Procedures over Utility Services

**Year Finding Originated:** 2025

**Criteria:** Effective operation of an enterprise utility system requires formalized, documented procedures for all aspects of service delivery and revenue management, including:

- Consistent billing practices that accurately reflect usage,
- Proper handling and recording of customer payments and deposits,
- Systematic processes for adjustments, refunds, and write-offs,
- Clear application of delinquency penalties, interest, or late fees for overdue accounts, and
- Cutoff procedures to ensure services are suspended or restricted appropriately for nonpayment.

Written procedures ensure that operations are conducted efficiently and consistently, support accurate financial reporting, and protect the Town’s assets by enforcing timely collections and appropriate application of penalties.

**Condition:** During the audit of the Town’s financial statements, it was observed that the Town does not have documented policies and procedures governing its utility services, including billing, collections, deposits, and adjustments for water, sewer, and garbage services. These activities are currently performed based on informal practices and staff knowledge.

**Cause:** The Town has not formalized procedures for utility billing, collections, deposits, adjustments, delinquency penalties, or cutoff processes, relying instead on informal practices and staff knowledge.

#### 4) FINDINGS – FINANCIAL STATEMENT (CONTINUED)

##### 2025-004 Written Policies and Procedures over Utility Services (Continued)

**Effect:** The absence of written procedures increases the risk of errors in recognition and reporting utility revenues, misapplication of customer payments, deposits, or adjustments, inconsistent application of delinquency penalties or service cutoffs, reduced oversight and control over cash handling and utility operations.

**Recommendation:** We recommend that the Town develop and adopt comprehensive written policies and procedures for all utility services, including billing, collections, deposits, adjustments, delinquency penalties, and cutoff procedures. Written procedures will provide guidance to staff, promote consistent practices, and strengthen operational and financial controls over the utility system.

**Views of responsible officials:** See management’s responses to findings on Page 78.

##### 2025-005 Internal Controls over Utility Service Adjustments

**Year Finding Originated:** 2025

**Criteria:** Effective internal controls over utility operations require that all adjustments to customer accounts be documented and formally approved to prevent unauthorized or inappropriate changes and mitigate the risk of management or staff overriding established controls.

Written approval procedures will aid in ensuring all adjustments are reviewed and authorized by an appropriate individual independent of day-to-day billing operations, transparency and accountability in the adjustment process, consistent application of billing corrections, credits, and refunds, and protection of utility revenues from errors, fraud, or manipulation.

**Condition:** While performing audit procedures over the Town’s utility services revenues, it was observed that adjustments to customer accounts for water, sewer, and garbage services are processed without documented formal approval. Adjustments, including credits, refunds, or corrections to billing errors, are currently made without evidence of authorization.

**Cause:** The Town has not implemented written procedures requiring approval for adjustments to utility accounts

**Effect:** The absence of written procedures increases the risk of misstatements of utility revenues in the financial statements, unauthorized or inappropriate adjustments to customer accounts, inconsistent treatment of customers, reduced oversight and control over revenue transactions, increasing the risk of override by staff or management.

**Recommendation:** We recommend that the Town establish written policies and procedures requiring documented approval for all adjustments to utility accounts. Approval procedures should define:

- The levels of authorization required for different types of adjustments.
- Documentation and supporting evidence required for each adjustment.
- Processes for independent review and oversight to ensure consistency, accuracy, and prevention of override.

**Views of responsible officials:** See management’s responses to findings on Page 78.

5) **FINDING – NONCOMPLIANCE**

**2025-006 Local Depositories Law**

**Year Finding Originated:** 2025

**Criteria:** All deposits of political subdivisions above the Federal Deposit Insurance Corporation (FDIC) insured limit shall be collateralized by the fiscal agent bank using instruments listed in R.S. 39:1221.

**Condition:** At June 30, 2025, the Town maintained \$195,655 in deposits with a financial institution that exceeded the FDIC insurance limit and were not collateralized.

**Cause:** The Town did not implement monitoring controls to ensure that deposits above the FDIC insured limit were properly collateralized.

**Effect:** The Town is exposed to potential loss of public funds if the financial institution fails.

**Recommendation:** We recommend the Town implement procedures to ensure all deposits above FDIC coverage are fully collateralized in accordance with Louisiana law. Regular monitoring of deposit balances and verification of collateral from financial institutions should be performed.

**Views of responsible officials:** See management's responses to findings on Page 78.



*Council*

**Kenyetta Richardson**

*District 1*

**Maria Coleman**

*District 2*

**Charles “Mose” Guzzardo**

*District 3*

**Shirley Core**

*District 4*

**Rose Sumrall**

*District 5*

212 E. Oak Street • Amite, LA 70422  
(985) 748-8761 • Fax: (985) 748-3729

**Walter Daniels III, Mayor**

December 19, 2025

**Lendrick Francois**

*Chief of Police*

**Mark Kolwe**

*City Manager*

**Jewel McCoy**

*City Clerk*

Faulk & Winkler, LLC  
Certified Public Accountants  
6811 Jefferson Highway  
Baton Rouge, LA 70806

This representation letter is provided in connection with your audit of the financial statements of the **TOWN OF AMITE CITY (TOWN)**, which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related disclosures (collectively, the “financial statements”) for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of December 19, 2025, the following representations were made to you during your audit.

**2025-001: Documentation of Internal Controls over Federal Awards**

The Town recognized its lack of understanding of Uniform Guidance as it relates to federal grant programs and hired an outside consultant on August 16, 2022, to administer the federal grants to ensure that the Town would comply with all federal program requirements. The Town was led to believe that they were in compliance with all federal program requirements.

The Town will develop, formally adopt, and implement written policies and procedures to comply with Uniform Guidance (2 CFR 200).

**2025-002: Internal Controls over General Procurement Standards**

All payments to contractors and vendors for the Water Sector Program are reviewed and approved by the outside consulting firm prior to payment. The outside consultant directs the Clerk as to the amount to pay and who to pay.

The outside consultant acknowledged that they made the error in instructing the Town to make the payment. The State of Louisiana was contacted by the outside consultant to discuss the

corrective action plan. The State advised the consultant to not make any corrections to the pay request that they would “bag out” the overpayment. Before the next pay request, the contractor returned the overpayment which was deposited into the Town’s Water Sector grant bank account.

**2025-003: Internal Controls Over Compliance with Suspension and Debarment**

The Town recognized its lack of understanding of Uniform Guidance as it relates to federal grant programs and hired an outside consultant on August 16, 2022, to administer the federal grants to ensure that the Town would comply with all federal program requirements. The Town was led to believe that they were in compliance with all federal program requirements.

This is the second year of both federal grant programs, and the Town is just being made aware of the suspension and debarment requirement. It should be noted that all contractors and the consultant are not on the suspension and debarment lists.

**2025-004: Written Policies and Procedures over Utility Services**

The Town concurs with the auditors’ recommendations.

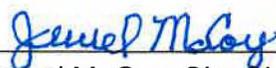
**2025-005: Internal Controls over Utility Service Adjustments**

The Town concurs with the auditors’ recommendations.

**2025-006 Local Depositories Law**

The Town monitors the pledged collateral with the local fiscal agent monthly. The fiscal agent was notified on July 23, 2025, of the shortage as of June 30, 2025. This happened due to the large amount of federal funds flowing in and out of the accounts and the fiscal agent requesting the Town to release collateral on a regular basis. The Town will keep an excessive amount of collateral going forward and will not release collateral every time the fiscal agent requests it.

  
\_\_\_\_\_  
Mark Kolwe, City Manager

  
\_\_\_\_\_  
Jewel McCoy, City Clerk

  
\_\_\_\_\_  
The Honorable Walter Daniels, III, Mayor

**Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures**

**TOWN OF AMITE CITY, LOUISIANA**

For the year ended June 30, 2025

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Honorable Mayor,  
Members of the Town Council, and  
Louisiana Legislative Auditor  
Town of Amite City, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2024 through June 30, 2025. The **TOWN OF AMITE CITY, LOUISIANA'S** (the Town) 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:

***1. Written Policies and Procedures:***

---

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - ii. ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - iii. ***Disbursements***, including processing, reviewing, and approving.
  - iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- v. **Payroll/Personnel**, including (1) payroll processing, and (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.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

### **3. Bank Reconciliations:**

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

- iii. 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.

#### **4. Collections (excluding electronic fund transfers):**

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- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - i. Employees that are responsible for cash collections do not share cash drawers/registers.
  - ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3A 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). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - i. Observe that receipts are sequentially pre-numbered.
  - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - iii. Trace the deposit slip total to the actual deposit per the bank statement.

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

**6. Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (cards):**

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- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - i. Observe 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, 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.]); and
  - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (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 security.

**10. Ethics:**

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- A. Using the 5 randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above obtain ethics documentation from management, and:
  - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
  - ii. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

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

***14. Prevention of Sexual Harassment:***

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
  - i. Number and percentage of public servants in the agency who have completed the training requirements;
  - ii. Number of sexual harassment complaints received by the agency;
  - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
  - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - v. Amount of time it took to resolve each complaint.

# TOWN OF AMITE CITY, LOUISIANA

## SCHEDULE OF ASSOCIATED FINDINGS

For the year ended June 30, 2025

### *Associated Findings:*

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No associated findings were found as a result of applying the procedures listed above, except as follows:

#### ***1. Written Policies and Procedures:***

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A The Town did not have written policies and procedures established for the following categories and subcategories:

- ii (2) – Purchasing
- vi (1)(2)(3)(4)(5) – Contracting
- vii (1)(2)(3)(4)(5) – Credit Cards
- ix (2)(3)(4) – Ethics
- x (1)(2)(3)(4) – Debt Service
- xi (1)(2)(3)(4)(5)(6) – Information Technology Disaster Recovery/Business Continuity
- xii (2)(3) – Sexual Harassment

#### ***3. Bank Reconciliations:***

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A(iii) Of the five bank accounts selected, one did not have documentation reflecting management has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

#### ***4. Collections:***

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B(iv) Of the six deposit batches selected, one deposit batch contained a collection receipt totaling \$150 that was not made within one business day of the receipt at the collection location.

#### ***6. Credit Cards:***

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B(ii) Of the four statements selected, one statement reported finance charges totaling \$34.

### ***Management's Response:***

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Management of the Town concurs with the exceptions identified and are in the process of addressing these matters.

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 **TOWN** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Certified Public Accountants

Baton Rouge, Louisiana  
October 15, 2025