

**TOWN OF MADISONVILLE,  
LOUISIANA**

Annual Financial Statements

June 30, 2025

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## **Independent Auditor's Report**

To the Honorable Jean Pelloat, Mayor  
and Members of the Board of Aldermen  
Town of Madisonville, Louisiana

### **Report on the Audit of the Financial Statements**

#### **Opinions**

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

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

#### **Basis for Opinions**

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, 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 management's discussion and analysis on pages 5 - 9, the budgetary comparison information presented as Schedules I and II, and the required supplementary information under GASB Statement No. 68 presented as Schedules III and IV, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in the appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

#### **Other 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 paid to members of the Board of Aldermen, the schedule of compensation, benefits, and other payments to agency head, the justice system agency information schedule, the justice system funding schedule - collecting/disbursing entity and the justice system funding schedule – disbursement to other governments and nonprofits form are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

This supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of compensation paid to members of the Board of Aldermen, the schedule of compensation, benefits, and other payments to agency head, and the justice system funding schedule - collecting/disbursing entity - general fund are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Baton Rouge, Louisiana  
December 10, 2025

**REQUIRED SUPPLEMENTARY INFORMATION (PART I)  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

# TOWN OF MADISONVILLE, LOUISIANA

## Management's Discussion and Analysis

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As management of the Town of Madisonville, Louisiana (the Town), we offer readers this narrative overview and financial analysis of the financial activities of the Town as of June 30, 2025, and for the year then ended.

### Financial Highlights

The Town's assets exceeded its liabilities by \$25,781,026 and \$23,446,074 at June 30, 2025 and 2024, respectively (*net position*). Of this amount, \$9,096,248 (*unrestricted net position*) may be used to meet the Town's ongoing obligations to its citizens and creditors. The Town's total net position increased by \$2,334,952 and \$3,049,445 for the years ended June 30, 2025 and 2024, respectively.

The Town's governmental funds reported combined ending fund balances of \$5,015,534 and \$4,479,157 at June 30, 2025 and 2024, respectively. Combined governmental fund balances increased by \$536,377 and \$197,827 for the years ended June 30, 2025 and 2024, respectively.

### Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's financial statements. The Town's basic financial statements consist of the following components:

1. Government-Wide Financial Statements
2. Fund Financial Statements
3. Notes to Financial Statements

### Government-Wide Financial Statements

The government-wide financial statements report information about the Town as a whole, using an accounting method similar to that used by private-sector companies. The basis of accounting used is accrual accounting. The government-wide statements reflect all of the Town's assets (including capital assets) and all of the Town's liabilities. The two government-wide financial statements are as follows:

- *Statement of Net Position:* This statement presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.
- *Statement of Activities:* This statement presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future periods.

## TOWN OF MADISONVILLE, LOUISIANA

### Management's Discussion and Analysis

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Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenue from other functions that are intended to recover all or a significant portion of their costs through user fees and charges.

- The governmental activities of the Town include General Government, Public Safety, Public Works, and Recreation.
- The business-type activities of the Town include Natural Gas, Water, Sewer, and Garbage Services.

### Fund Financial Statements

A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The Town uses funds to ensure and demonstrate compliance with finance-related laws and regulations. The Town has two types of funds:

- *Governmental Funds:* These funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The Town's major governmental funds are the General Fund and the Special Revenue Fund.
- *Proprietary Funds:* These funds are used to account for activities that function in a manner similar to commercial enterprises. Proprietary fund financial statements typically provide a more detailed presentation of the information reported in the business-type activities portion of the government-wide financial statements. The Town's major proprietary fund is the Gas Fund.

### Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements directly follow the proprietary fund financial statements.

# TOWN OF MADISONVILLE, LOUISIANA

## Management's Discussion and Analysis

### Government-Wide Financial Analysis

A condensed version of the government-wide statement of net position is presented as follows:

|                                       | Governmental Activities |                      | Business-Type Activities |                      | Total                |                      |
|---------------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
|                                       | 2025                    | 2024                 | 2025                     | 2024                 | 2025                 | 2024                 |
| <b>Assets</b>                         |                         |                      |                          |                      |                      |                      |
| Current Assets                        | \$ 7,323,132            | \$ 5,386,147         | \$ 8,313,747             | \$ 7,272,224         | \$ 15,636,879        | \$ 12,658,371        |
| Nondepreciable Capital Assets         | 922,388                 | 1,460,484            | 223,616                  | 189,808              | 1,146,004            | 1,650,292            |
| Depreciable Capital Assets, Net       | 8,183,044               | 7,158,151            | 6,874,188                | 7,059,529            | 15,057,232           | 14,217,680           |
| <b>Total Assets</b>                   | <b>16,428,564</b>       | <b>14,004,782</b>    | <b>15,411,551</b>        | <b>14,521,561</b>    | <b>31,840,115</b>    | <b>28,526,343</b>    |
| <b>Deferred Outflows of Resources</b> | <b>69,898</b>           | <b>119,182</b>       | <b>52,346</b>            | <b>101,905</b>       | <b>122,244</b>       | <b>221,087</b>       |
| <b>Liabilities</b>                    |                         |                      |                          |                      |                      |                      |
| Current and Other Liabilities         | 2,307,598               | 906,990              | 1,649,136                | 1,678,988            | 3,956,734            | 2,585,978            |
| Long-Term Liabilities                 | 272,276                 | 372,482              | 1,851,973                | 2,260,166            | 2,124,249            | 2,632,648            |
| <b>Total Liabilities</b>              | <b>2,579,874</b>        | <b>1,279,472</b>     | <b>3,501,109</b>         | <b>3,939,154</b>     | <b>6,080,983</b>     | <b>5,218,626</b>     |
| <b>Deferred Inflows of Resources</b>  | <b>67,749</b>           | <b>76,118</b>        | <b>32,601</b>            | <b>6,612</b>         | <b>100,350</b>       | <b>82,730</b>        |
| <b>Net Position</b>                   |                         |                      |                          |                      |                      |                      |
| Net Investment in Capital Assets      | 9,105,432               | 8,618,635            | 5,452,804                | 5,303,337            | 14,558,236           | 13,921,972           |
| Restricted - Sales Tax Usage          | 794,788                 | 1,043,656            | -                        | -                    | 794,788              | 1,043,656            |
| Restricted - Revenue Bonds            | -                       | -                    | 1,331,754                | 1,215,475            | 1,331,754            | 1,215,475            |
| Unrestricted                          | 3,950,619               | 3,106,083            | 5,145,629                | 4,158,888            | 9,096,248            | 7,264,971            |
| <b>Total Net Position</b>             | <b>\$ 13,850,839</b>    | <b>\$ 12,768,374</b> | <b>\$ 11,930,187</b>     | <b>\$ 10,677,700</b> | <b>\$ 25,781,026</b> | <b>\$ 23,446,074</b> |

The amount of net investment in capital assets represents 56% of total net position. Net investment in capital assets consists of land, infrastructure, buildings, and equipment, less any outstanding debt used to acquire those assets. The Town has elected not to retroactively record, as capital assets, its infrastructure that existed prior to adopting Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

# TOWN OF MADISONVILLE, LOUISIANA

## Management's Discussion and Analysis

A condensed version of the government-wide statement of activities is presented as follows:

|  | Governmental<br>Activities |                      | Business-Type<br>Activities |                      | Total                |                      |
|--|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
|  | 2025                       | 2024                 | 2025                        | 2024                 | 2025                 | 2024                 |
| <b>Revenues</b>                                |                            |                      |                             |                      |                      |                      |
| Program Revenues                               |                            |                      |                             |                      |                      |                      |
| Charges for Services                           | \$ -                       | \$ -                 | \$ 4,974,340                | \$ 4,646,965         | \$ 4,974,340         | \$ 4,646,965         |
| Operating Grants and Contributions             | 25,715                     | 57,427               | 11,096                      | 11,096               | 36,811               | 68,523               |
| Capital Grants and Contributions               | 90,004                     | 806,074              | 26,245                      | 84,080               | 116,249              | 890,154              |
| General Revenues                               |                            |                      |                             |                      |                      |                      |
| Taxes  | 2,265,442                  | 2,065,448            | -                           | -                    | 2,265,442            | 2,065,448            |
| Licenses and Permits                           | 269,602                    | 256,463              | -                           | -                    | 269,602              | 256,463              |
| Fines and Forfeitures                          | 218,598                    | 163,900              | -                           | -                    | 218,598              | 163,900              |
| Other Revenue                                  | 214,803                    | 196,003              | -                           | -                    | 214,803              | 196,003              |
| Gain (Loss) on Sale of Capital Assets          | -                          | 7,563                | -                           | (9,352)              | -                    | (1,789)              |
| Investment Earnings                            | 146,599                    | 83,777               | 258,351                     | 307,952              | 404,950              | 391,729              |
| <b>Total Revenues</b>                          | <b>3,230,763</b>           | <b>3,636,655</b>     | <b>5,270,032</b>            | <b>5,040,741</b>     | <b>8,500,795</b>     | <b>8,677,396</b>     |
| <b>Expenses</b>                                |                            |                      |                             |                      |                      |                      |
| General Government                             | 670,851                    | 607,477              | -                           | -                    | 670,851              | 607,477              |
| Public Safety                                  | 604,395                    | 620,179              | -                           | -                    | 604,395              | 620,179              |
| Public Works                                   | 752,667                    | 696,592              | -                           | -                    | 752,667              | 696,592              |
| Hurricane Recovery                             | 24,192                     | -                    | -                           | -                    | 24,192               | -                    |
| Recreation                                     | 96,193                     | 57,917               | -                           | -                    | 96,193               | 57,917               |
| Gas  | -                          | -                    | 3,025,379                   | 2,645,459            | 3,025,379            | 2,645,459            |
| Sewer  | -                          | -                    | 454,988                     | 506,831              | 454,988              | 506,831              |
| Water  | -                          | -                    | 321,676                     | 295,569              | 321,676              | 295,569              |
| Garbage  | -                          | -                    | 162,867                     | 138,647              | 162,867              | 138,647              |
| Interest Expense                               | -                          | -                    | 52,635                      | 59,280               | 52,635               | 59,280               |
| <b>Total Expenses</b>                          | <b>2,148,298</b>           | <b>1,982,165</b>     | <b>4,017,545</b>            | <b>3,645,786</b>     | <b>6,165,843</b>     | <b>5,627,951</b>     |
| <b>Change in Net Position Before Transfers</b> | <b>1,082,465</b>           | <b>1,654,490</b>     | <b>1,252,487</b>            | <b>1,394,955</b>     | <b>2,334,952</b>     | <b>3,049,445</b>     |
| <b>Transfers</b>                               | <b>-</b>                   | <b>(192,042)</b>     | <b>-</b>                    | <b>192,042</b>       | <b>-</b>             | <b>-</b>             |
| <b>Change in Net Position</b>                  | <b>1,082,465</b>           | <b>1,462,448</b>     | <b>1,252,487</b>            | <b>1,586,997</b>     | <b>2,334,952</b>     | <b>3,049,445</b>     |
| <b>Net Position, Beginning of Year</b>         | <b>12,768,374</b>          | <b>11,305,926</b>    | <b>10,677,700</b>           | <b>9,090,703</b>     | <b>23,446,074</b>    | <b>20,396,629</b>    |
| <b>Net Position, End of Year</b>               | <b>\$ 13,850,839</b>       | <b>\$ 12,768,374</b> | <b>\$ 11,930,187</b>        | <b>\$ 10,677,700</b> | <b>\$ 25,781,026</b> | <b>\$ 23,446,074</b> |

# TOWN OF MADISONVILLE, LOUISIANA

## Management's Discussion and Analysis

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### Financial Analysis of the Funds

The Town's General Fund had an increase in fund balance of \$785,245 for the year ended June 30, 2025. The Town's Special Revenue Fund had a decrease in fund balance of \$248,868 for the year ended June 30, 2025. Total governmental fund amounts are different from governmental activities due to capital assets, depreciation of capital assets, and net pension liability.

Amounts reported for business-type activities in the Town's individual funds are identical to business-type activities reported in the government-wide presentation.

### Budget Highlights

As required by law, the Town adopts a budget for its General Fund and Special Revenue Fund.

### Capital Asset Administration

Capital assets, net of accumulated depreciation, increased by \$335,264 for the year ended June 30, 2025. This was principally due to additions and construction in progress exceeding depreciation for both governmental and business-type activities.

### Long-Term Debt

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$1,946,000. The entire amount was secured by the revenues of the Gas Fund.

The Town's total long-term debt decreased by \$290,000 due to scheduled debt payments. Additional information on the Town's long-term debt can be found in the notes to the financial statements.

### Requests for Information

This financial report is designed to provide a general overview of the Town's finances. Questions concerning this report or the need for additional information should be directed to Diedre Boudreaux, Clerk, P.O. Box 160, Madisonville, Louisiana 70447.

**BASIC FINANCIAL STATEMENTS  
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**TOWN OF MADISONVILLE, LOUISIANA**  
**Statement of Net Position**  
**June 30, 2025**

**Statement A**

|   | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>         |
|---|------------------------------------|-------------------------------------|----------------------|
| <b>Assets</b>                               |                                    |                                     |                      |
| Cash and Cash Equivalents                   | \$ 2,074,956                       | \$ 236,836                          | \$ 2,311,792         |
| Investments                                 | 3,954,454                          | 6,020,825                           | 9,975,279            |
| Receivables, Net                            | 469,736                            | 423,332                             | 893,068              |
| Due from Other Funds                        | 823,986                            | -                                   | 823,986              |
| Restricted Cash and Cash Equivalents        | -                                  | 1,632,754                           | 1,632,754            |
| Capital Assets Not Being Depreciated        |                                    |                                     |                      |
| Land  | 651,641                            | 189,808                             | 841,449              |
| Construction in Progress                    | 270,747                            | 33,808                              | 304,555              |
| Depreciable Capital Assets, Net             | 8,183,044                          | 6,874,188                           | 15,057,232           |
| <b>Total Assets</b>                         | <b>16,428,564</b>                  | <b>15,411,551</b>                   | <b>31,840,115</b>    |
| <b>Deferred Outflows of Resources</b>       |                                    |                                     |                      |
| Deferred Outflows on Pension Obligation     | 69,898                             | 52,346                              | 122,244              |
| <b>Total Deferred Outflows of Resources</b> | <b>69,898</b>                      | <b>52,346</b>                       | <b>122,244</b>       |
| <b>Liabilities</b>                          |                                    |                                     |                      |
| Accounts Payable                            | 186,045                            | 150,986                             | 337,031              |
| Due to Other Funds                          | 271,917                            | 552,069                             | 823,986              |
| Customer Deposits                           | -                                  | 558,950                             | 558,950              |
| Deficit in Pooled Cash                      | 1,849,636                          | 86,131                              | 1,935,767            |
| Bonds Payable                               |                                    |                                     |                      |
| Due in One Year                             | -                                  | 301,000                             | 301,000              |
| Due in More than One Year                   | -                                  | 1,645,000                           | 1,645,000            |
| Net Pension Liability                       | 272,276                            | 206,973                             | 479,249              |
| <b>Total Liabilities</b>                    | <b>2,579,874</b>                   | <b>3,501,109</b>                    | <b>6,080,983</b>     |
| <b>Deferred Inflows of Resources</b>        |                                    |                                     |                      |
| Deferred Inflows on Pension Obligation      | 67,749                             | 32,601                              | 100,350              |
| <b>Total Deferred Inflows of Resources</b>  | <b>67,749</b>                      | <b>32,601</b>                       | <b>100,350</b>       |
| <b>Net Position</b>                         |                                    |                                     |                      |
| Net Investment in Capital Assets            | 9,105,432                          | 5,452,804                           | 14,558,236           |
| Restricted - Sales Tax Usage                | 794,788                            | -                                   | 794,788              |
| Restricted - Revenue Bonds                  | -                                  | 1,331,754                           | 1,331,754            |
| Unrestricted                                | 3,950,619                          | 5,145,629                           | 9,096,248            |
| <b>Total Net Position</b>                   | <b>\$ 13,850,839</b>               | <b>\$ 11,930,187</b>                | <b>\$ 25,781,026</b> |

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

**TOWN OF MADISONVILLE, LOUISIANA**  
**Statement of Activities**  
**For the Year Ended June 30, 2025**

**Statement B**

| Functions / Programs                   | Expenses            | Program Revenues     |                                    |                                  | Net Revenue (Expense) and Changes in Net Position |                          |                      |
|--|---------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|----------------------|
|  |                     | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                           | Business-Type Activities | Total                |
| <b>Governmental Activities</b>         |                     |                      |                                    |                                  |   |                          |                      |
| General Government                     | \$ 670,851          | \$ -                 | \$ -                               | \$ -                             | \$ (670,851)                                      | \$ -                     | \$ (670,851)         |
| Public Safety                          | 604,395             | -                    | 13,215                             | -                                | (591,180)   | -                        | (591,180)            |
| Public Works                           | 752,667             | -                    | -                                  | 57,668                           | (752,667)   | -                        | (752,667)            |
| Hurricane Recovery                     | 24,192              | -                    | -                                  | -                                | (24,192)  | -                        | (24,192)             |
| Recreation                             | 96,193              | -                    | 12,500                             | 32,336                           | 6,311   | -                        | 6,311                |
| <b>Total Governmental Activities</b>   | <b>2,148,298</b>    | <b>-</b>             | <b>25,715</b>                      | <b>90,004</b>                    | <b>(2,032,579)</b>                                | <b>-</b>                 | <b>(2,032,579)</b>   |
| <b>Business-Type Activities</b>        |                     |                      |                                    |                                  |   |                          |                      |
| Gas                                    | 3,025,379           | 4,194,885            | 7,984                              | -                                | -   | 1,177,490                | 1,177,490            |
| Sewer                                  | 454,988             | 326,467              | 1,480                              | -                                | -   | (127,041)                | (127,041)            |
| Water                                  | 321,676             | 291,872              | 1,480                              | 26,245                           | -   | (2,079)                  | (2,079)              |
| Garbage                                | 162,867             | 161,116              | 152                                | -                                | -   | (1,599)                  | (1,599)              |
| Interest Expense                       | 52,635              | -                    | -                                  | -                                | -   | (52,635)                 | (52,635)             |
| <b>Total Business-Type Activities</b>  | <b>4,017,545</b>    | <b>4,974,340</b>     | <b>11,096</b>                      | <b>26,245</b>                    | <b>-</b>  | <b>994,136</b>           | <b>994,136</b>       |
| <b>Total</b>                           | <b>\$ 6,165,843</b> | <b>\$ 4,974,340</b>  | <b>\$ 36,811</b>                   | <b>\$ 116,249</b>                | <b>(2,032,579)</b>                                | <b>994,136</b>           | <b>(1,038,443)</b>   |
| <b>General Revenues</b>                |                     |                      |                                    |                                  |   |                          |                      |
| Taxes                                  |                     |                      |                                    |                                  |   |                          |                      |
| Sales and Use Taxes                    |                     |                      |                                    |                                  | 2,000,052   | -                        | 2,000,052            |
| Property Taxes                         |                     |                      |                                    |                                  | 163,314   | -                        | 163,314              |
| Franchise Taxes                        |                     |                      |                                    |                                  | 98,432  | -                        | 98,432               |
| Other Taxes                            |                     |                      |                                    |                                  | 3,644   | -                        | 3,644                |
| Licenses and Permits                   |                     |                      |                                    |                                  | 269,602   | -                        | 269,602              |
| Fines and Forfeitures                  |                     |                      |                                    |                                  | 218,598   | -                        | 218,598              |
| Other Revenues                         |                     |                      |                                    |                                  | 214,803   | -                        | 214,803              |
| Interest Income                        |                     |                      |                                    |                                  | 146,599   | 258,351                  | 404,950              |
| <b>Total General Revenues</b>          |                     |                      |                                    |                                  | <b>3,115,044</b>                                  | <b>258,351</b>           | <b>3,373,395</b>     |
| <b>Change in Net Position</b>          |                     |                      |                                    |                                  | <b>1,082,465</b>                                  | <b>1,252,487</b>         | <b>2,334,952</b>     |
| <b>Net Position, Beginning of Year</b> |                     |                      |                                    |                                  | <b>12,768,374</b>                                 | <b>10,677,700</b>        | <b>23,446,074</b>    |
| <b>Net Position, End of Year</b>       |                     |                      |                                    |                                  | <b>\$ 13,850,839</b>                              | <b>\$ 11,930,187</b>     | <b>\$ 25,781,026</b> |

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

**BASIC FINANCIAL STATEMENTS  
FUND FINANCIAL STATEMENTS  
GOVERNMENTAL FUNDS**

**TOWN OF MADISONVILLE, LOUISIANA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2025**

**Statement C**

|  | <b>General<br/>Fund</b> | <b>Special<br/>Revenue<br/>Fund</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--|-------------------------|-------------------------------------|---|
| <b>Assets</b>  |                         |                                     |   |
| Cash and Cash Equivalents  | \$ 2,074,956            | \$ -                                | \$ 2,074,956                            |
| Investments  | 1,136,892               | 2,817,562                           | 3,954,454                               |
| Receivables  | 267,995                 | 201,741                             | 469,736                                 |
| Due from Other Funds   | 823,986                 | -                                   | 823,986                                 |
| <b>Total Assets</b>  | <b>\$ 4,303,829</b>     | <b>\$ 3,019,303</b>                 | <b>\$ 7,323,132</b>                     |
| <b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>       |                         |                                     |   |
| <b>Liabilities</b>   |                         |                                     |   |
| Deficit in Pooled Cash   | \$ -                    | \$ 1,849,636                        | \$ 1,849,636                            |
| Accounts Payable   | 83,083                  | 102,962                             | 186,045                                 |
| Due to Other Funds   | -                       | 271,917                             | 271,917                                 |
| <b>Total Liabilities</b>   | <b>83,083</b>           | <b>2,224,515</b>                    | <b>2,307,598</b>                        |
| <b>Fund Balances</b>   |                         |                                     |   |
| Restricted for:  |                         |                                     |   |
| Sales Tax Usage  | -                       | 794,788                             | 794,788                                 |
| Unassigned   |                         |                                     |   |
| General Fund   | 4,220,746               | -                                   | 4,220,746                               |
| <b>Total Fund Balances</b>   | <b>4,220,746</b>        | <b>794,788</b>                      | <b>5,015,534</b>                        |
| <b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b> | <b>\$ 4,303,829</b>     | <b>\$ 3,019,303</b>                 | <b>\$ 7,323,132</b>                     |

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

**TOWN OF MADISONVILLE, LOUISIANA**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2025**

**Statement D**

|   |                                    |
|---|------------------------------------|
| <b>Fund Balances - Total Governmental Funds</b>   | <b>\$ 5,015,534</b>                |
| <p>Amounts reported for governmental activities in the statement of net position are different because:</p>   |                                    |
| <p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:</p>   |                                    |
| Governmental Capital Assets   | 11,681,783                         |
| Less: Accumulated Depreciation  | (2,576,351)                        |
| <p>Deferred inflows of resources - pension used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.</p>                    |                                    |
|   | (67,749)                           |
| <p>Deferred outflows of resources - pension used in governmental activities are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p> |                                    |
|   | 69,898                             |
| <p>Long-term liabilities, including net pension liability, are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>                  |                                    |
|   | <u>(272,276)</u>                   |
| <b>Net Position of Governmental Activities</b>  | <b><u><u>\$ 13,850,839</u></u></b> |

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

**TOWN OF MADISONVILLE, LOUISIANA**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2025**

**Statement E**

|   | <b>General<br/>Fund</b> | <b>Special<br/>Revenue<br/>Fund</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|---|-------------------------|-------------------------------------|---|
| <b>Revenues</b>                         |                         |                                     |   |
| Taxes                                   |                         |                                     |   |
| Sales and Use Taxes                     | \$ 1,000,026            | \$ 1,000,026                        | \$ 2,000,052                            |
| Property Taxes                          | 163,314                 | -                                   | 163,314                                 |
| Franchise Taxes                         | 98,432                  | -                                   | 98,432                                  |
| Other Taxes                             | 3,644                   | -                                   | 3,644                                   |
| Intergovernmental Grants                | 25,715                  | 90,004                              | 115,719                                 |
| Fines and Forfeitures                   | 218,598                 | -                                   | 218,598                                 |
| Licenses and Permits                    | 269,602                 | -                                   | 269,602                                 |
| Other Revenues                          | 180,332                 | 24,411                              | 204,743                                 |
| Interest Income                         | 51,912                  | 94,687                              | 146,599                                 |
| <b>Total Revenues</b>                   | <b>2,011,575</b>        | <b>1,209,128</b>                    | <b>3,220,703</b>                        |
| <b>Expenditures</b>                     |                         |                                     |   |
| Current                                 |                         |                                     |   |
| General Government                      | 623,859                 | -                                   | 623,859                                 |
| Public Safety                           | 578,279                 | -                                   | 578,279                                 |
| Public Works                            | -                       | 599,760                             | 599,760                                 |
| Recreation                              | -                       | 47,537                              | 47,537                                  |
| Hurricane Recovery                      | 24,192                  | -                                   | 24,192                                  |
| Capital Outlay                          | -                       | 810,699                             | 810,699                                 |
| <b>Total Expenditures</b>               | <b>1,226,330</b>        | <b>1,457,996</b>                    | <b>2,684,326</b>                        |
| <b>Net Change in Fund Balances</b>      | <b>785,245</b>          | <b>(248,868)</b>                    | <b>536,377</b>                          |
| <b>Fund Balances, Beginning of Year</b> | <b>3,435,501</b>        | <b>1,043,656</b>                    | <b>4,479,157</b>                        |
| <b>Fund Balances, End of Year</b>       | <b>\$ 4,220,746</b>     | <b>\$ 794,788</b>                   | <b>\$ 5,015,534</b>                     |

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

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

**Statement F**

|  |                            |
|--|----------------------------|
| <b>Change in Fund Balances - Total Governmental Funds</b>  | \$ 536,377                 |
| <p>Amounts reported for governmental activities in the statement of activities are different because:</p>  |                            |
| <p>Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives through depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.</p> | 486,797                    |
| <p>Governmental funds report retirement contributions as expenditures, but pension expense on the statement of activities includes the change in net pension liability as well as the change in deferred inflows and outflows related to pensions.</p>   | <u>59,291</u>              |
| <b>Change in Net Position of Governmental Activities</b>   | <u><u>\$ 1,082,465</u></u> |

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

**BASIC FINANCIAL STATEMENTS  
FUND FINANCIAL STATEMENTS  
PROPRIETARY FUNDS**

**TOWN OF MADISONVILLE, LOUISIANA**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2025**

**Statement G**

|   | Gas<br>Fund          | Water<br>Fund     | Sewer<br>Fund       | Garbage<br>Fund  | Total                |
|---|----------------------|-------------------|---------------------|------------------|----------------------|
| <b>Assets</b>   |                      |                   |                     |                  |                      |
| <b>Current Assets</b>   |                      |                   |                     |                  |                      |
| Cash and Cash Equivalents   | \$ 236,836           | \$ -              | \$ -                | \$ -             | \$ 236,836           |
| Investments   | 6,020,825            | -                 | -                   | -                | 6,020,825            |
| Accounts Receivable, Net  | 210,764              | 145,375           | 40,361              | 26,832           | 423,332              |
| <b>Total Current Assets</b>   | <b>6,468,425</b>     | <b>145,375</b>    | <b>40,361</b>       | <b>26,832</b>    | <b>6,680,993</b>     |
| <b>Non-Current Assets</b>   |                      |                   |                     |                  |                      |
| Restricted Cash and Cash Equivalents                                      | 1,632,754            | -                 | -                   | -                | 1,632,754            |
| Nondepreciable Capital Assets   | 137,277              | 15,512            | 74,327              | -                | 227,116              |
| Depreciable Capital Assets, Net   | 4,080,461            | 721,045           | 2,069,182           | -                | 6,870,688            |
| <b>Total Non-Current Assets</b>   | <b>5,850,492</b>     | <b>736,557</b>    | <b>2,143,509</b>    | <b>-</b>         | <b>8,730,558</b>     |
| <b>Total Assets</b>   | <b>12,318,917</b>    | <b>881,932</b>    | <b>2,183,870</b>    | <b>26,832</b>    | <b>15,411,551</b>    |
| <b>Deferred Outflows of Resources</b>                                     |                      |                   |                     |                  |                      |
| Deferred Outflows on Pension Obligation                                   | 44,957               | 3,509             | 3,341               | 539              | 52,346               |
| <b>Total Assets and Deferred Outflows of Resources</b>                    | <b>\$ 12,363,874</b> | <b>\$ 885,441</b> | <b>\$ 2,187,211</b> | <b>\$ 27,371</b> | <b>\$ 15,463,897</b> |
| <b>Liabilities</b>  |                      |                   |                     |                  |                      |
| <b>Current Liabilities</b>  |                      |                   |                     |                  |                      |
| Accounts Payable  | \$ 104,581           | \$ 10,844         | \$ 35,561           | \$ -             | \$ 150,986           |
| Due to Other Funds  | 552,069              | -                 | -                   | -                | 552,069              |
| Deficit in Pooled Cash  | -                    | 228               | 81,134              | 4,769            | 86,131               |
| <b>Total Current Liabilities</b>  | <b>656,650</b>       | <b>11,072</b>     | <b>116,695</b>      | <b>4,769</b>     | <b>789,186</b>       |
| <b>Current Liabilities Payable from Restricted Assets</b>                 |                      |                   |                     |                  |                      |
| Bonds Payable - Current Portion   | 301,000              | -                 | -                   | -                | 301,000              |
| <b>Non-Current Liabilities</b>  |                      |                   |                     |                  |                      |
| Customer Deposits   | 497,310              | 61,640            | -                   | -                | 558,950              |
| Bonds Payable   | 1,645,000            | -                 | -                   | -                | 1,645,000            |
| Net Pension Liability   | 177,760              | 13,873            | 13,211              | 2,129            | 206,973              |
| <b>Total Non-Current Liabilities</b>                                      | <b>2,320,070</b>     | <b>75,513</b>     | <b>13,211</b>       | <b>2,129</b>     | <b>2,410,923</b>     |
| <b>Total Liabilities</b>  | <b>3,277,720</b>     | <b>86,585</b>     | <b>129,906</b>      | <b>6,898</b>     | <b>3,501,109</b>     |
| <b>Deferred Inflows of Resources</b>                                      |                      |                   |                     |                  |                      |
| Deferred Inflows on Pension Obligation                                    | 28,000               | 2,185             | 2,081               | 335              | 32,601               |
| <b>Total Deferred Inflows of Resources</b>                                | <b>28,000</b>        | <b>2,185</b>      | <b>2,081</b>        | <b>335</b>       | <b>32,601</b>        |
| <b>Net Position</b>   |                      |                   |                     |                  |                      |
| Net Investment in Capital Assets  | 2,572,738            | 736,557           | 2,143,509           | -                | 5,452,804            |
| Restricted - Revenue Bonds  | 1,331,754            | -                 | -                   | -                | 1,331,754            |
| Unrestricted Net Position   | 5,153,662            | 60,114            | (88,285)            | 20,138           | 5,145,629            |
| <b>Total Net Position</b>   | <b>9,058,154</b>     | <b>796,671</b>    | <b>2,055,224</b>    | <b>20,138</b>    | <b>11,930,187</b>    |
| <b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b> | <b>\$ 12,363,874</b> | <b>\$ 885,441</b> | <b>\$ 2,187,211</b> | <b>\$ 27,371</b> | <b>\$ 15,463,897</b> |

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

**TOWN OF MADISONVILLE, LOUISIANA**  
**Statement of Revenues, Expenses, and**  
**Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2025**

**Statement H**

|  | <b>Gas<br/>Fund</b> | <b>Water<br/>Fund</b> | <b>Sewer<br/>Fund</b> | <b>Garbage<br/>Fund</b> | <b>Total</b>         |
|--|---------------------|-----------------------|-----------------------|-------------------------|----------------------|
| <b>Operating Revenues</b>                          |                     |                       |                       |                         |                      |
| Charges for Services                               |                     |                       |                       |                         |                      |
| Gas Sales  | \$ 4,194,885        | \$ -                  | \$ -                  | \$ -                    | \$ 4,194,885         |
| Sewer Service Charges                              | -                   | -                     | 326,467               | -                       | 326,467              |
| Water Sales  | -                   | 291,872               | -                     | -                       | 291,872              |
| Garbage Collection Fees                            | -                   | -                     | -                     | 161,116                 | 161,116              |
| <b>Total Operating Revenues</b>                    | <b>4,194,885</b>    | <b>291,872</b>        | <b>326,467</b>        | <b>161,116</b>          | <b>4,974,340</b>     |
| <b>Operating Expenses</b>                          |                     |                       |                       |                         |                      |
| Gas Purchased                                      | 1,377,147           | -                     | -                     | -                       | 1,377,147            |
| Repairs and Maintenance                            | 475,131             | 90,293                | 106,117               | -                       | 671,541              |
| Administrative and General                         | 456,761             | 31,785                | 164,529               | 2,538                   | 655,613              |
| Salaries and Related Benefits                      | 492,990             | 67,196                | 63,625                | 10,327                  | 634,138              |
| Depreciation                                       | 172,103             | 26,653                | 90,575                | -                       | 289,331              |
| Garbage Collection                                 | -                   | -                     | -                     | 150,002                 | 150,002              |
| Utilities  | 21,749              | 9,409                 | 30,142                | -                       | 61,300               |
| Water Purchases                                    | -                   | 92,154                | -                     | -                       | 92,154               |
| Auto and Truck                                     | 21,552              | 59                    | -                     | -                       | 21,611               |
| Insurance  | 7,946               | 4,127                 | -                     | -                       | 12,073               |
| <b>Total Operating Expenses</b>                    | <b>3,025,379</b>    | <b>321,676</b>        | <b>454,988</b>        | <b>162,867</b>          | <b>3,964,910</b>     |
| <b>Operating Income (Loss)</b>                     | <b>1,169,506</b>    | <b>(29,804)</b>       | <b>(128,521)</b>      | <b>(1,751)</b>          | <b>1,009,430</b>     |
| <b>Nonoperating Revenues (Expenses)</b>            |                     |                       |                       |                         |                      |
| Grant Income and Other Contributions               | 7,984               | 27,725                | 1,480                 | 152                     | 37,341               |
| Interest Income                                    | 258,351             | -                     | -                     | -                       | 258,351              |
| Interest Expense                                   | (52,635)            | -                     | -                     | -                       | (52,635)             |
| <b>Total Nonoperating Revenues (Expenses), Net</b> | <b>213,700</b>      | <b>27,725</b>         | <b>1,480</b>          | <b>152</b>              | <b>243,057</b>       |
| <b>Change in Net Position</b>                      | <b>1,383,206</b>    | <b>(2,079)</b>        | <b>(127,041)</b>      | <b>(1,599)</b>          | <b>1,252,487</b>     |
| <b>Net Position, Beginning of Year</b>             | <b>7,674,948</b>    | <b>798,750</b>        | <b>2,182,265</b>      | <b>21,737</b>           | <b>10,677,700</b>    |
| <b>Net Position, End of Year</b>                   | <b>\$ 9,058,154</b> | <b>\$ 796,671</b>     | <b>\$ 2,055,224</b>   | <b>\$ 20,138</b>        | <b>\$ 11,930,187</b> |

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

**TOWN OF MADISONVILLE, LOUISIANA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2025**

**Statement I**

|  | <b>Gas<br/>Fund</b> | <b>Water<br/>Fund</b> | <b>Sewer<br/>Fund</b> | <b>Garbage<br/>Fund</b> | <b>Total</b>        |
|--|---------------------|-----------------------|-----------------------|-------------------------|---------------------|
| <b>Cash Flows from Operating Activities</b>                          |                     |                       |                       |                         |                     |
| Receipts from Customers and Users                                    | \$ 4,190,557        | \$ 286,662            | \$ 323,254            | \$ 158,273              | \$ 4,958,746        |
| Payments to Suppliers  | (2,307,068)         | (216,983)             | (265,227)             | (152,540)               | (2,941,818)         |
| Payments to Employees  | (520,167)           | (69,317)              | (65,645)              | (10,654)                | (665,783)           |
| <b>Net Cash Provided by (Used in) Operating Activities</b>           | <b>1,363,322</b>    | <b>362</b>            | <b>(7,618)</b>        | <b>(4,921)</b>          | <b>1,351,145</b>    |
| <b>Cash Flows from Non-Capital Financing Activities</b>              |                     |                       |                       |                         |                     |
| Grant Income and Other Contributions                                 | 7,984               | 1,480                 | 1,480                 | 152                     | 11,096              |
| Interfund Borrowings and Transfers from<br>Other Funds               | -                   | 228                   | 81,134                | 4,769                   | 86,131              |
| <b>Net Cash Provided by Non-Capital Financing Activities</b>         | <b>7,984</b>        | <b>1,708</b>          | <b>82,614</b>         | <b>4,921</b>            | <b>97,227</b>       |
| <b>Cash Flows from Capital and Related<br/>Financing Activities</b>  |                     |                       |                       |                         |                     |
| Purchase of Capital Assets   | (30,907)            | (28,315)              | (74,996)              | -                       | (134,218)           |
| Proceeds from Capital Grants   | -                   | 26,245                | -                     | -                       | 26,245              |
| Interest Paid on Capital Debt  | (52,635)            | -                     | -                     | -                       | (52,635)            |
| Principal Paid on Capital Debt                                       | (290,000)           | -                     | -                     | -                       | (290,000)           |
| <b>Net Cash Used in Capital and Related Financing<br/>Activities</b> | <b>(373,542)</b>    | <b>(2,070)</b>        | <b>(74,996)</b>       | <b>-</b>                | <b>(450,608)</b>    |
| <b>Cash Flows from Investing Activities</b>                          |                     |                       |                       |                         |                     |
| Purchase of Investments  | (892,000)           | -                     | -                     | -                       | (892,000)           |
| Interest Received  | 258,351             | -                     | -                     | -                       | 258,351             |
| <b>Net Cash Used in Investing Activities</b>                         | <b>(633,649)</b>    | <b>-</b>              | <b>-</b>              | <b>-</b>                | <b>(633,649)</b>    |
| <b>Net Increase in Cash and Cash Equivalents</b>                     | <b>364,115</b>      | <b>-</b>              | <b>-</b>              | <b>-</b>                | <b>364,115</b>      |
| <b>Cash and Cash Equivalents, Beginning of Year</b>                  | <b>1,505,475</b>    | <b>-</b>              | <b>-</b>              | <b>-</b>                | <b>1,505,475</b>    |
| <b>Cash and Cash Equivalents, End of Year</b>                        | <b>\$ 1,869,590</b> | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>             | <b>\$ 1,869,590</b> |

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

**TOWN OF MADISONVILLE, LOUISIANA**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2025**

**Statement I**

|   | <b>Gas<br/>Fund</b> | <b>Water<br/>Fund</b> | <b>Sewer<br/>Fund</b> | <b>Garbage<br/>Fund</b> | <b>Total</b>        |
|---|---------------------|-----------------------|-----------------------|-------------------------|---------------------|
| <b>Reconciliation of Operating Income (Loss) to Net Cash<br/>Provided by (Used in) Operating Activities</b> |                     |                       |                       |                         |                     |
| Operating Income (Loss)   | \$ 1,169,506        | \$ (29,804)           | \$ (128,521)          | \$ (1,751)              | \$ 1,009,430        |
| Adjustments to Reconcile Operating Income (Loss) to<br>Net Cash Provided by (Used in) Operating Activities  |                     |                       |                       |                         |                     |
| Depreciation  | 172,103             | 26,653                | 90,575                | -                       | 289,331             |
| (Increase) Decrease in:   |                     |                       |                       |                         |                     |
| Trade Accounts Receivable   | (31,855)            | (5,848)               | (3,213)               | (2,843)                 | (43,759)            |
| Increase (Decrease) in:   |                     |                       |                       |                         |                     |
| Accounts Payable  | 53,218              | 10,844                | 35,561                | -                       | 99,623              |
| Customer Deposits   | 27,527              | 638                   | -                     | -                       | 28,165              |
| Net Pension Liability   | (27,177)            | (2,121)               | (2,020)               | (327)                   | (31,645)            |
|   | <u>\$ 1,363,322</u> | <u>\$ 362</u>         | <u>\$ (7,618)</u>     | <u>\$ (4,921)</u>       | <u>\$ 1,351,145</u> |
| <b>Net Cash Provided by (Used in)<br/>Operating Activities</b>  |                     |                       |                       |                         |                     |
| Cash and Cash Equivalents   | \$ 236,836          | \$ -                  | \$ -                  | \$ -                    | \$ 236,836          |
| Restricted Cash and Cash Equivalents  | 1,632,754           | -                     | -                     | -                       | 1,632,754           |
| <b>Total Cash and Cash Equivalents</b>  | <u>\$ 1,869,590</u> | <u>\$ -</u>           | <u>\$ -</u>           | <u>\$ -</u>             | <u>\$ 1,869,590</u> |

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

## **NOTES TO FINANCIAL STATEMENTS**

# TOWN OF MADISONVILLE, LOUISIANA

## Notes to Financial Statements

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### Introduction

The Town of Madisonville, Louisiana (the Town), was incorporated in 1817, under the provisions of a special charter. The Town operates under a Mayor-Board of Aldermen form of government and provides the following services: public safety, highways and streets, sanitation and utilities, recreation, public improvements, and general administrative services.

The accounting and reporting policies of the Town conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute (R.S.) 21:513 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*.

### Note 1. Summary of Significant Accounting Policies

#### Reporting Entity

The Town's basic financial statements include the accounts of all town operations. The criteria for including organizations as component units within the Town's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in its own name);
- The Town holds the corporate powers of the organization;
- The Town appoints a voting majority of the organization's board;
- The Town is able to impose its will on the organization;
- The organization has the potential to impose a financial benefit/burden on the Town;
- There is fiscal dependency by the organization on the Town;

Based on the aforementioned criteria, the Town has no component units.

# TOWN OF MADISONVILLE, LOUISIANA

## Notes to Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### **Government-Wide 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 Town. 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.

In the government-wide statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts: net investment in capital assets, restricted net position, and unrestricted net position.

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.

#### **Fund Financial Statements**

The financial transactions of the Town are reported in individual funds in the fund financial statements. Separate fund financial statements are provided for the Town's governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

The focus of governmental funds' measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The Town reports these major governmental funds:

*General Fund* - The General Fund is the general operating fund of the Town. This fund is used to account for all financial transactions and resources, except those that are required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, fines and forfeitures, state and federal distributions, licenses, permits, charges for services, and interest income.

*Special Revenue Fund* - The Special Revenue Fund is used to account for the proceeds of a 1% sales tax dedicated to constructing, improving, maintaining, and operating recreational facilities; constructing and maintaining streets, sidewalks, and bridges; operating a garbage disposal center; and purchasing equipment.

# TOWN OF MADISONVILLE, LOUISIANA

## Notes to Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### **Fund Financial Statements (Continued)**

The focus of proprietary funds' measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The Town has four proprietary funds to account for the natural gas, water, sewer, and garbage collection services it provides to the residents and businesses of the Town. The natural gas, water, sewer, and garbage proprietary funds are reported as major funds.

#### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Both governmental and business-type activities in the government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary 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.

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. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and 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 Town.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as program revenues include (1) 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, fines and forfeitures, licenses and permits, and other general revenues.

# TOWN OF MADISONVILLE, LOUISIANA

## Notes to Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

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. Operating revenues for the Town's proprietary funds consist of charges to customers and users of its natural gas, water, sewer, and garbage collection services. Operating expenses for the Town's proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

#### **Budgets and Budgetary Accounting**

At the beginning of each fiscal year, an annual budget is prepared on a basis consistent with generally accepted accounting principles for all major governmental funds. At the end of the fiscal year, unexpended appropriations of these funds automatically lapse.

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

- a) The Mayor, Board of Aldermen, Municipal Clerk, and other advisory personnel assemble the necessary financial information.
- b) The proposed budget is made available for public inspection.
- c) A public hearing is held for any recommendations or changes to the budget. The budget is legally adopted through passage of an ordinance by the Board of Aldermen.

The Town does not utilize encumbrance accounting. Budgets are amended as necessary throughout the year.

#### **Cash and Cash Equivalents**

Cash balances of all funds are combined to the extent possible. Interest earned on deposits is distributed to the individual funds based on the investment balances of the participating funds during the year.

For the purpose of the proprietary fund statement of cash flows, all highly liquid investments (including certificates of deposit) with a maturity of three months or less when purchased are considered cash equivalents.

# TOWN OF MADISONVILLE, LOUISIANA

## Notes to Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### **Cash and Cash Equivalents (Continued)**

Cash and cash equivalents include amounts in demand deposits. Under state law, the Town may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Cash and cash equivalents consist of cash, as defined above, including restricted cash. Short-term investments are stated at amortized cost, which approximates market. Certain investments, as required by GASB Statement No. 31, as amended by GASB Statement No. 72, are reported at fair value, which is determined using published market prices.

#### **Property Taxes**

Property taxes attach as an enforceable lien on property as of January 1<sup>st</sup>. Taxes are levied and billed in November of each year and are due and payable on or before January 1<sup>st</sup> of the following year. All unpaid taxes become delinquent on March 31<sup>st</sup> of the following year. The Town bills and collects its own property taxes. The Town recognizes property tax revenues when levied, to the extent that they are determined to be collectible.

For the year ended June 30, 2025, the Town levied taxes of 8.30 mills that were dedicated to the General Fund.

#### **Sales Taxes**

The Town imposes a two percent sales and use tax. One percent of this tax is dedicated for particular purposes and is accounted for in the Special Revenue Fund. The other one percent is unrestricted and is included in the General Fund.

#### **Accumulated Unpaid Paid Time-Off**

Full time regular employees accrue vacation and sick paid time-off (PTO) at a rate of eight hours per month, up to 96 hours per year. Eligible employees earn an additional 40 hours of PTO after one year of employment and an additional 80 hours of PTO after three years of employment. Accrued PTO may be carried over annually up to a maximum of 240 hours. There was no material accumulated PTO which is expected to be used or paid as of June 30, 2025.

#### **Accounts Receivable**

Balances between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/due from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Uncollectible amounts due for customers' utility receivables 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 receivable. The allowance was \$15,000 at June 30, 2025.

# TOWN OF MADISONVILLE, LOUISIANA

## Notes to Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### 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 acquisition value at the date of donation. The Town maintains a threshold level of \$2,500 or more for capitalizing assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives is not capitalized.

Capital outlays are recorded as expenditures of the General Fund and Special Revenue Fund in the governmental fund financial statements and as assets in the government-wide financial statements, to the extent the Town's capitalization threshold is met. In accordance with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, the Town has elected not to capitalize infrastructure retroactively. Depreciation is recorded on general capital assets on a government-wide basis. Capital outlays of the proprietary funds are recorded as capital assets and depreciated over their estimated useful lives on both the fund basis and the government-wide basis.

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

| <b>Description</b>                  | <b>Estimated Useful Lives</b> |
|-------------------------------------|-------------------------------|
| Infrastructure                      | 20 - 40 Years                 |
| Buildings and Building Improvements | 20 - 40 Years                 |
| Utility Systems                     | 30 - 40 Years                 |
| Furniture and Fixtures              | 7 Years                       |
| Vehicles                            | 5 Years                       |
| Equipment                           | 3 - 15 Years                  |

# TOWN OF MADISONVILLE, LOUISIANA

## Notes to Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System and the Municipal Police Employees' Retirement System (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### Fund Equity

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

1. *Net Investment in Capital Assets* - Consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. *Restricted* - Consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
3. *Unrestricted* - All other net position is reported in this category.

In the governmental fund financial statements, fund balances are classified as follows:

1. *Restricted Fund Balance* - Amounts that can be spent only for specific purposes because of the Town Charter, the Town Code, state or federal laws, or externally imposed conditions by grantors, creditors, or citizens.
2. *Unassigned Fund Balance* - All amounts not included in other spendable classifications.

#### Interfund Transactions

Permanent re-allocation of resources between funds of the Town is classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

# TOWN OF MADISONVILLE, LOUISIANA

## Notes to Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

#### Budgetary Information

During the year ended June 30, 2025, actual expenditures of the special revenue fund of \$1,457,996 exceeded budgeted expenditures of \$762,926 which resulted in an unfavorable variance of \$695,070.

### Note 2. Stewardship, Compliance, and Accountability

#### Deposit and Investment Laws and Regulations

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. At June 30, 2025, the Town was in compliance with deposit and investment laws and regulations with the exception of one bank which had inadequate collateralization of bank deposits in excess of Federal Deposit Insurance Corporation coverage.

### Note 3. Cash and Cash Equivalents

#### Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be recovered. The Town's deposit policy for custodial credit risk is that all uninsured deposits be collateralized by pledged securities as required by state law.

As of June 30, 2025, \$1,514,268 of the Town's bank balance of \$2,264,268 was exposed to custodial credit risk. Except for \$5,219, the remainder of these deposits were secured from risk by the pledge of securities owned by the fiscal agent bank.

The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. The custodial bank must advertise and sell the pledged securities within ten days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

# TOWN OF MADISONVILLE, LOUISIANA

## Notes to Financial Statements

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### Note 4. Investments

Investments of \$9,975,279, as of June 30, 2025, were invested in Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in a pool of funds and, therefore, not evidenced by securities that exist in physical or book-entry form.

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

GASB Statement No. 40, *Deposit, and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- *Credit Risk:* LAMP is rated AAAM by Standard & Poor's.
- *Custodial Credit Risk:* LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- *Concentration of Credit Risk:* Pooled investments are excluded from the 5 percent disclosure requirement.
- *Interest Rate Risk:* LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities nonwith a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments was 25 as of June 30, 2025.
- *Foreign Currency Risk:* Not applicable.

# TOWN OF MADISONVILLE, LOUISIANA

## Notes to Financial Statements

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### Note 4. Investments (Continued)

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP, and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the Securities and Exchange Commission as an investment company. If you have any questions, please feel free to contact the LAMP administrative office at 800-249-5267.

### Note 5. Receivables

Net receivables at June 30, 2025 were as follows:

|                         | General Fund      | Special Revenue Fund | Natural Gas Fund  | Water Fund        | Sewer Fund       | Garbage Fund     | Total             |
|-------------------------|-------------------|----------------------|-------------------|-------------------|------------------|------------------|-------------------|
| <b>Taxes</b>            |                   |                      |                   |                   |                  |                  |                   |
| Sales and Use           | \$ 201,741        | \$ 201,741           | \$ -              | \$ -              | \$ -             | \$ -             | \$ 403,482        |
| Franchise               | 15,967            | -                    | -                 | -                 | -                | -                | 15,967            |
| Other                   | 50,287            | -                    | -                 | -                 | -                | -                | 50,287            |
| Grants                  | -                 | -                    | -                 | 125,685           | -                | -                | 125,685           |
| <b>Utility Accounts</b> |                   |                      |                   |                   |                  |                  |                   |
| Sales                   | -                 | -                    | 210,764           | 19,690            | 40,361           | 26,832           | 297,647           |
| <b>Total</b>            | <u>\$ 267,995</u> | <u>\$ 201,741</u>    | <u>\$ 210,764</u> | <u>\$ 145,375</u> | <u>\$ 40,361</u> | <u>\$ 26,832</u> | <u>\$ 893,068</u> |

Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Total allowance for doubtful accounts amounted to \$15,000 for the business-type activities at June 30, 2025.

# TOWN OF MADISONVILLE, LOUISIANA

## Notes to Financial Statements

### Note 6. Capital Assets

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

| <b>Governmental Activities</b>                         | <b>Balance<br/>June 30, 2024</b> | <b>Increases</b>    | <b>Decreases</b>      | <b>Balance<br/>June 30, 2025</b> |
|--|----------------------------------|---------------------|-----------------------|----------------------------------|
| <b>Capital Assets Not Depreciated</b>                  |                                  |                     |                       |                                  |
| Land   | \$ 651,641                       | \$ -                | \$ -                  | \$ 651,641                       |
| Construction in Progress                               | 808,843                          | 879,726             | (1,417,822)           | 270,747                          |
| <b>Total Capital Assets Not Depreciated</b>            | <b>1,460,484</b>                 | <b>879,726</b>      | <b>(1,417,822)</b>    | <b>922,388</b>                   |
| <b>Capital Assets Being Depreciated</b>                |                                  |                     |                       |                                  |
| Automobiles  | 526,693                          | -                   | -                     | 526,693                          |
| Recreation Equipment                                   | 1,118,278                        | -                   | -                     | 1,118,278                        |
| Equipment  | 195,787                          | -                   | -                     | 195,787                          |
| Office Equipment and Furniture                         | 14,236                           | -                   | -                     | 14,236                           |
| Buildings and Improvements                             | 1,800,711                        | -                   | -                     | 1,800,711                        |
| Street and Sidewalk Improvements                       | 2,805,503                        | -                   | -                     | 2,805,503                        |
| Infrastructure   | 2,879,956                        | 1,344,984           | -                     | 4,224,940                        |
| Other  | 73,247                           | -                   | -                     | 73,247                           |
| <b>Total Capital Assets Being Depreciated</b>          | <b>9,414,411</b>                 | <b>1,344,984</b>    | <b>-</b>              | <b>10,759,395</b>                |
| <b>Less Accumulated Depreciation for:</b>              |                                  |                     |                       |                                  |
| Automobiles  | (340,169)                        | (51,272)            | -                     | (391,441)                        |
| Recreation Equipment                                   | (171,979)                        | (48,656)            | -                     | (220,635)                        |
| Equipment  | (173,813)                        | (6,382)             | -                     | (180,195)                        |
| Office Equipment and Furniture                         | (13,454)                         | (408)               | -                     | (13,862)                         |
| Buildings and Improvements                             | (338,800)                        | (49,996)            | -                     | (388,796)                        |
| Street and Sidewalk Improvements                       | (644,593)                        | (77,670)            | -                     | (722,263)                        |
| Infrastructure   | (519,114)                        | (81,801)            | -                     | (600,915)                        |
| Other  | (54,338)                         | (3,906)             | -                     | (58,244)                         |
| <b>Total Accumulated Depreciation</b>                  | <b>(2,256,260)</b>               | <b>(320,091)</b>    | <b>-</b>              | <b>(2,576,351)</b>               |
| <b>Total Capital Assets Being Depreciated,<br/>Net</b> | <b>7,158,151</b>                 | <b>1,024,893</b>    | <b>-</b>              | <b>8,183,044</b>                 |
| <b>Total</b>   | <b>\$ 8,618,635</b>              | <b>\$ 1,904,619</b> | <b>\$ (1,417,822)</b> | <b>\$ 9,105,432</b>              |

**TOWN OF MADISONVILLE, LOUISIANA**

**Notes to Financial Statements**

**Note 6. Capital Assets (Continued)**

| <b>Business-Type Activities</b>                        | <b>Balance<br/>June 30, 2024</b> | <b>Increases</b>    | <b>Decreases</b> | <b>Balance<br/>June 30, 2025</b> |
|--|----------------------------------|---------------------|------------------|----------------------------------|
| <b>Capital Assets Not Depreciated</b>                  |                                  |                     |                  |                                  |
| Land   | \$ 189,808                       | \$ -                | \$ -             | \$ 189,808                       |
| Construction in Progress                               | -                                | 33,808              | -                | 33,808                           |
| <b>Total Capital Assets Not Depreciated</b>            | <b>189,808</b>                   | <b>33,808</b>       | <b>-</b>         | <b>223,616</b>                   |
| <b>Capital Assets Being Depreciated</b>                |                                  |                     |                  |                                  |
| Gas Distribution System                                | 7,229,847                        | 34,487              | -                | 7,264,334                        |
| Water Distribution System                              | 1,020,769                        | 28,315              | -                | 1,049,084                        |
| Sewer Plant and Lines                                  | 3,948,498                        | 41,188              | -                | 3,989,686                        |
| <b>Total Capital Assets Being Depreciated</b>          | <b>12,199,114</b>                | <b>103,990</b>      | <b>-</b>         | <b>12,303,104</b>                |
| <b>Less Accumulated Depreciation for:</b>              |                                  |                     |                  |                                  |
| Gas Distribution System                                | (3,011,772)                      | (172,101)           | -                | (3,183,873)                      |
| Water Distribution System                              | (301,383)                        | (26,656)            | -                | (328,039)                        |
| Sewer Plant and Lines                                  | (1,826,430)                      | (90,574)            | -                | (1,917,004)                      |
| <b>Total Accumulated Depreciation</b>                  | <b>(5,139,585)</b>               | <b>(289,331)</b>    | <b>-</b>         | <b>(5,428,916)</b>               |
| <b>Total Capital Assets Being Depreciated,<br/>Net</b> | <b>7,059,529</b>                 | <b>(185,341)</b>    | <b>-</b>         | <b>6,874,188</b>                 |
| <b>Total</b>   | <b>\$ 7,249,337</b>              | <b>\$ (151,533)</b> | <b>\$ -</b>      | <b>\$ 7,097,804</b>              |

Depreciation was charged to governmental functions as follows for the year ended June 30, 2025:

|                                   |                   |
|-----------------------------------|-------------------|
| General Government - Town Hall    | \$ 54,310         |
| Public Safety                     | 57,654            |
| Public Works - Street Maintenance | 77,670            |
| Public Works - Infrastructure     | 81,801            |
| Recreation                        | 48,656            |
| <b>Total</b>                      | <b>\$ 320,091</b> |

# TOWN OF MADISONVILLE, LOUISIANA

## Notes to Financial Statements

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### Note 7. Employee Pension Plans

The Town is a participating employer in two cost-sharing, multiple-employer defined benefit pension plans. These plans are administered by two public employee retirement systems, the Municipal Employees' Retirement System of Louisiana (MERS) and the Municipal Police Employees' Retirement System (MPERS).

MERS and MPERS issue annual financial reports that include detailed information about their respective system and the plans' fiduciary net position. These financial reports provide information for fiscal years ending June 30<sup>th</sup>. Access to these reports can be found on the Louisiana Legislative Auditor's website ([www.la.gov](http://www.la.gov)) or at the individual systems websites ([www.mersla.gov](http://www.mersla.gov) and [www.lampers.org](http://www.lampers.org)).

#### Plan Descriptions

##### ***Municipal Employees' Retirement System of Louisiana (MERS)***

MERS is the administrator of a cost-sharing, multiple-employer defined benefit pension plan. MERS was established and provided for by R.S. 11:1731 of the Louisiana Revised Statutes (R.S.). MERS is composed of two distinct plans, Plan A and Plan B, with separate asset and benefit provisions. The Town is a participant in Plan B only. For the year ended June 30, 2024, there were 70 contributing municipalities in Plan B.

The following is a description of the Plan and its benefits and is provided for general information purposes only.

##### Eligibility Requirements

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five (35) hours per week.

##### Retirement Benefits

Members who commenced participation in the System prior to January 1, 2013 can retire providing they meet one of the following criteria:

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

Employees hired on or after January 1, 2013 can retire, providing they meet one of the following criteria:

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

**Note 7. Employee Pension Plans (Continued)**

**Plan Descriptions (Continued)**

***Municipal Employees' Retirement System of Louisiana (MERS) (Continued)***

The monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the member's final compensation multiplied by their years of creditable service. Final compensation is the average monthly earnings during the highest sixty (60) consecutive months or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits

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

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

Deferred Retirement Option Plan (DROP) Benefits

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

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

Disability Benefits

For Plan B, a member shall be eligible to retire and receive a disability benefit if they have at least ten (10) years of creditable service, are not eligible for normal retirement, and have been officially certified as disabled by the State Medical Disability Board.

## TOWN OF MADISONVILLE, LOUISIANA

### Notes to Financial Statements

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#### Note 7. Employee Pension Plans (Continued)

##### Plan Descriptions (Continued)

##### ***Municipal Employees' Retirement System of Louisiana (MERS) (Continued)***

##### Disability Benefits (Continued)

Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of (1) an amount equal to two percent of their final compensation multiplied by their years of creditable service, but not less than thirty percent of their final compensation, or (2) an amount equal to what the member's normal retirement benefit would be based on the member's current final compensation, but assuming the member remained in continuous service until their earliest normal retirement age and using those retirement benefit computation factors which would be applicable to the member's normal retirement.

##### Cost of Living Increases

The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant an additional cost of living increase to all retirees and beneficiaries who are 65 and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after this date.

##### Deferred Benefits

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

##### ***Municipal Police Employees' Retirement System of Louisiana (MPERS)***

MPERS is the administrator of a cost-sharing, multiple-employer plan defined benefit pension plan. Membership in MPERS is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security, and provided he or she meets the statutory criteria. MPERS provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability include all benefits to be provided to current active and inactive employees through MPERS in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. Benefit provisions are authorized within Act 189 of 1973 and amended by R.S. 11:2211-11:2233.

## TOWN OF MADISONVILLE, LOUISIANA

### Notes to Financial Statements

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#### Note 7. Employee Pension Plans (Continued)

##### Plan Descriptions (Continued)

##### ***Municipal Police Employees' Retirement System of Louisiana (MPERS) (Continued)***

The following is a description of the Plan and its benefits and is provided for general information purposes only.

##### Membership Prior to January 1, 2013

A member is eligible for regular retirement after he has been a member of MPERS and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years of creditable service and is age 55. A member is eligible for early retirement after he has been a member of MPERS for 20 years of creditable service at any age with an actuarially reduced benefit.

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

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 40% to 60% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives benefits equal to 10% of the member's average final compensation or \$200 per month, whichever is greater.

##### Membership Commencing January 1, 2013

Member eligibility for regular retirement, early retirement, disability, and survivor benefits is based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of MPERS and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of MPERS and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of MPERS for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are 3% (generally) and 2.5%, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 25% to 55% percent of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives 10% of average final compensation or \$200 per month, whichever is greater. If a deceased member had less than 10 years of service, the beneficiary will receive a refund of employee contributions only.

**Note 7. Employee Pension Plans (Continued)**

**Plan Descriptions (Continued)**

***Municipal Police Employees' Retirement System of Louisiana (MPERS) (Continued)***

**Cost of Living Adjustments**

The Board of Trustees is authorized to provide annual cost of living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% cost of living adjustment, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility. No regular retiree, survivor or beneficiary shall be eligible to receive a cost of living adjustment until benefits have been received at least one full fiscal year and the payment of such adjustment, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age. A cost of living adjustment may only be granted if funds are available from interest earnings in excess of normal requirements, as determined by the actuary.

**Deferred Retirement Option Plan (DROP)**

A member is eligible to elect to enter the DROP when he is eligible for regular retirement based on the member's sub plan participation. Upon filing the application for the program, the employee's active membership in MPERS is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is 36 months or less. If employment is terminated after the three-year period the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into MPERS shall resume and upon later termination, he shall receive additional retirement benefits based on the additional service.

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

If the member elects a money market investment return, the funds are transferred to a government money market account and earn interest at the money market rate. If the member elects a money market investment account the funds are transferred to a government money market account. Pursuant to Act 78 of the 2019 Regular Session of the Louisiana Legislature, DROP members can self-direct their DROP funds. For those members who elected to self-direct their DROP funds MPERS transferred lump sum distributions to the stable value fund of Empower Retirement. Empower Retirement acts as an agent of MPERS to allow participants to self-direct the investment of their lump sum balances. Participants can irrevocably elect to participate in the self-directed portion of the program. If they do so, they can invest in Vanguard Lifestrategy Funds through Empower Retirement.

# TOWN OF MADISONVILLE, LOUISIANA

## Notes to Financial Statements

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### Note 7. Employee Pension Plans (Continued)

#### Plan Descriptions (Continued)

##### ***Municipal Police Employees' Retirement System of Louisiana (MPERS) (Continued)*** Initial Benefit Option Plan

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

#### **Funding Policy - Employer and Non-Employer Contributions**

According to state statute, contribution requirements for all employers are actuarially determined each year. Contributions to the plans are required and are expressed as a percentage of covered payroll. The employer contribution rates in effect for the year ended June 30, 2025 for the Municipal Employees' Retirement System Plan B and the Municipal Police Employees' Retirement System were 14.00% and 35.60%, respectively.

In accordance with state statute, MERS receives ad valorem taxes and state revenue sharing funds and MPERS receives insurance premium tax monies. These additional sources of income are used as additional employer contributions and considered support from non-employer contributing entities. Non-employer contributions were \$21,400 and \$3,208 for MERS and MPERS, respectively.

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

The following schedule shows the Town's proportionate share of the net pension liability allocated by each of the pension plans based on the June 30, 2024 measurement date. The Town uses this measurement to record its net position liability and associated amounts as of June 30, 2025, in accordance with GASB Statement No. 68. The Town's proportion of the net pension liability is based on the Town's contributions effort to the plans as compared to the total of all participating employers' contribution effort.

|   | <b>Net Pension<br/>Liability at<br/>June 30, 2025</b> | <b>Proportionate<br/>Rate at<br/>June 30, 2025</b> |
|---|---|--|
| Municipal Employees' Retirement System Plan B | \$ 367,513  | 0.605685%  |
| Municipal Police Employees' Retirement System | <u>111,736</u>  | 0.012333%  |
| <b>Total</b>                                  | <u><u>\$ 479,249</u></u>                              |  |

**TOWN OF MADISONVILLE, LOUISIANA**

**Notes to Financial Statements**

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**Note 7. Employee Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

The total net pension liability is reported on the government-wide and proprietary funds statements of net position broken out as follows:

|                          | <b>Net Pension Liability</b> |
|--------------------------|------------------------------|
| Governmental Activities  | \$ 272,276                   |
| Business-Type Activities |                              |
| Gas Fund                 | 177,760                      |
| Sewer Fund               | 13,211                       |
| Water Fund               | 13,873                       |
| Garbage Fund             | 2,129                        |
|                          | <hr/>                        |
| <b>Total</b>             | <b>\$ 479,249</b>            |

For the year ended June 30, 2025, the Town recognized pension expense of \$34,096 and \$42,462 for MERS and MPERS, respectively. At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| <b>Municipal Employees' Retirement System Plan B</b>  | <b>Deferred Outflows of Resources</b> | <b>Deferred Inflows of Resources</b> |
|---|---------------------------------------|--------------------------------------|
| Differences between Expected and Actual Experience  | \$ 3,490                              | \$ 3,007                             |
| Changes in Assumptions  | -                                     | 13,681                               |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments                              | 13,228                                | -                                    |
| Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions | 7,524                                 | 41,200                               |
| Employer Contributions Subsequent to the Measurement Date   | 68,706                                | -                                    |
|   | <hr/>                                 | <hr/>                                |
| <b>Total</b>  | <b>\$ 92,948</b>                      | <b>\$ 57,888</b>                     |

**TOWN OF MADISONVILLE, LOUISIANA**

**Notes to Financial Statements**

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**Note 7. Employee Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

| <b>Municipal Police Employees' Retirement System</b>   | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|--|---|--|
| Differences between Expected and Actual Experience   | \$ 6,050                                      | \$ 3,380                                     |
| Changes in Assumptions   | -   | -  |
| Net Difference between Projected and Actual Earnings<br>on Pension Plan Investments                              | 3,106   | -  |
| Changes in Proportion and Differences between Employer<br>Contributions and Proportionate Share of Contributions | 906   | 39,082                                       |
| Employer Contributions Subsequent to the Measurement Date  | 19,234  | -  |
| <b>Total</b>   | <b>\$ 29,296</b>                              | <b>\$ 42,462</b>                             |

Deferred outflows of resources in the amount of \$68,706 and \$19,234 related to MERS and MPERS, respectively, resulting from the Town's contributions subsequent to the measurement date will be recognized in the year ended June 20, 2025. Other amounts reported as deferred outflows and inflows of resource related to pensions will be recognized in pension expense as follows:

| <b>Year Ending<br/>June 30,</b> | <b>MERS<br/>Amount</b> | <b>MPERS<br/>Amount</b> |
|---------------------------------|------------------------|-------------------------|
| 2026                            | \$ (18,350)            | \$ (23,699)             |
| 2027                            | 3,959                  | (3,262)                 |
| 2028                            | (10,962)               | (3,482)                 |
| 2029                            | (8,293)                | (1,957)                 |
| <b>Total</b>                    | <b>\$ (33,646)</b>     | <b>\$ (32,400)</b>      |

# TOWN OF MADISONVILLE, LOUISIANA

## Notes to Financial Statements

### Note 7. Employee Pension Plans (Continued)

#### Actuarial Assumptions

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

|  | MERS   | MPERS   |
|--|--|---|
| <b>Valuation Date</b>                                  | June 30, 2024  | June 30, 2024   |
| <b>Actuarial Cost Method</b>                           | Entry Age Normal   | Entry Age Normal  |
| <b>Actuarial Assumptions:</b>                          |  |   |
| <b>Expected Remaining Service Lives</b>                | 3 Years  | 4 Years   |
| <b>Investment Rate of Return</b>                       | 6.85%, net of pension plan investment expense, including inflation   | 6.75%, net of investment expense  |
| <b>Inflation Rate</b>                                  | 2.50%  | 2.50%   |
| <b>Salary Increases, Including Inflation and Merit</b> | 1-4 years of service: 9.5%<br>4+ years of service: 4.6%  | 1-2 years of service: 12.3%<br>2+ years of service: 4.7%  |
| <b>Annuitant and Beneficiary Mortality</b>             | PubG-2010(B) Healthy Retiree Table set equal to 115% for males and females, each adjusted using their respective male and female MP2021 scales   | 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 |
| <b>Employee Mortality</b>                              | PubG-2010(B) Employee Table set equal to 115% for males and 120% for females, each adjusted using their respective male and female MP2021 scales | Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale        |
| <b>Disabled Lives Mortality</b>                        | PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale                             | Pub-2010 Public Retirement Plan Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale              |

#### Cost of Living Adjustments

The present value of future retirement benefits for MPERS 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 increase not yet authorized by the Board of Trustees.

# TOWN OF MADISONVILLE, LOUISIANA

## Notes to Financial Statements

### Note 7. Employee Pension Plans (Continued)

#### Actuarial Assumptions (Continued)

##### Discount Rate

The long-term expected rate of return on MERS and MPERS pension plan investments was determined using a building-block method in which best estimated ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long-term rate of return is 6.85% and 7.9% for MERS and MPERS, respectively, for the year ended June 30, 2024.

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

| <b>Asset Class</b>  | <b>Target Asset Allocation</b>     |              | <b>Long-Term<br/>Expected Real Rate<br/>of Return</b> |              |
|---------------------|------------------------------------|--------------|---|--------------|
|                     | <b>MERS</b>                        | <b>MPERS</b> | <b>MERS</b>   | <b>MPERS</b> |
| Public Equity       | 56%                                | 52%          | 2.44%   | 3.14%        |
| Public Fixed Income | 29%                                | 34%          | 1.26%   | 1.07%        |
| Alternatives        | 15%                                | 14%          | 0.65%   | 1.03%        |
| <b>Total</b>        | <b>100%</b>                        | <b>100%</b>  | <b>4.35%</b>  | <b>5.24%</b> |
|                     | Inflation                          |              | 2.50%   | 2.62%        |
|                     | Expected Arithmetic Nominal Return |              | 6.85%   | 7.86%        |

The discount rate used to measure MERS and MPERS total pension liability was 6.85% and 6.75%, respectively, for the year ended June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee.

Based on those assumptions, the systems' fiduciary net positions were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liabilities.

# TOWN OF MADISONVILLE, LOUISIANA

## Notes to Financial Statements

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### Note 7. Employee Pension Plans (Continued)

#### Sensitivity of the Town's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability using the discount rate of each retirement system as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current rate:

|                                       | 1% Decrease       | Current<br>Discount Rate | 1% Increase       |
|---------------------------------------|-------------------|--------------------------|-------------------|
| <b>MERS</b>                           |                   |                          |                   |
| Rates                                 | 5.85%             | 6.85%                    | 7.85%             |
| Town's Share of Net Pension Liability | <u>\$ 570,664</u> | <u>\$ 367,513</u>        | <u>\$ 195,818</u> |
| <b>MPERS</b>                          |                   |                          |                   |
| Rates                                 | 5.75%             | 6.75%                    | 7.75%             |
| Town's Share of Net Pension Liability | <u>\$ 165,982</u> | <u>\$ 111,736</u>        | <u>\$ 66,452</u>  |

### Note 8. Deferred Compensation Plan

Police employees of the Town are eligible to participate in the Town's deferred compensation plan. The employees must contribute a minimum of 5%, and may contribute up to 100%, of their salary (not to exceed \$18,000 a year) to the plan on a pre-tax basis. For fiscal year ended June 30, 2025, the Town contributed 12% for each employee. The contributions are fully vested immediately and are remitted to a third-party administrator each pay period, where they are deposited to an account in the employee's name. The Town does not assume any liability for the funds and does not have any control over the funds once they are remitted to the third-party administrator. During the year ended June 30, 2025, the Town made contributions which totaled \$27,731.

# TOWN OF MADISONVILLE, LOUISIANA

## Notes to Financial Statements

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### Note 9. Lake Pontchartrain Basin Maritime Museum

On May 31, 1996, the Town entered into a management agreement with Lake Pontchartrain Basin Maritime Museum, Inc. (the Museum), a non-profit corporation, whereby the Town allows the Museum to use a portion of land for the construction and operation of a museum. The term of the agreement is for ninety-nine years. The Town retains title of the land along with any improvements constructed by the Museum. The Town also retains any liabilities related to defects at the time of the agreement. The Museum agrees to incur all necessary expenditures related to operation of the Museum. An addendum to this agreement was signed on March 9, 2001, whereby the Town also allows the Museum usage of a portion of land for a parking lot. During the year ended June 30, 2002, the United States Coast Guard donated the Madisonville Lighthouse to the Town. On May 24, 2002, the Town entered into another agreement with the Museum, whereby the Town allows the Museum the use of the Lighthouse, and the Museum agrees to preserve and restore the Lighthouse.

### Note 10. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2025, the Town carried insurance through various commercial carriers to cover all risks of loss. The Town had no settled claims resulting from these risks that exceeded its commercial coverage.

### Note 11. Long-Term Liabilities

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

|                                 | <b>Revenue<br/>Bonds</b> |
|---------------------------------|--------------------------|
| <b>Balance at July 1, 2024</b>  | \$ 2,236,000             |
| Proceeds                        | -                        |
| Retirements                     | <u>(290,000)</u>         |
| <b>Balance at June 30, 2025</b> | <u>\$ 1,946,000</u>      |

**TOWN OF MADISONVILLE, LOUISIANA**

**Notes to Financial Statements**

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**Note 11. Long-Term Liabilities (Continued)**

Long-term debt was composed of the following at June 30, 2025:

**Revenue Bonds**

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|  |                            |
|--|----------------------------|
| \$1,080,000 Gas Utility Revenue Bonds, Series 2015, due in annual installments with semi-annual interest payments at 2.5% per annum through December 1, 2027, secured by the revenues of the Gas Fund.         | \$ 440,000                 |
| \$1,000,000 Gas Utility Revenue Bonds dated June 12, 2019, due in annual installments with semi-annual interest payments at 2.79% per annum through December 1, 2029, secured by the revenues of the Gas Fund. | 752,000                    |
| \$1,000,000 Gas Utility Revenue Bonds dated June 12, 2019, due in annual installments with semi-annual interest payments at 2.80% per annum through December 1, 2029, secured by the revenues of the Gas Fund. | <u>754,000</u>             |
| <b>Total</b>   | <u><u>\$ 1,946,000</u></u> |

The future debt service requirements of the bonds are as follows:

| Year Ending<br>June 30, | Revenue Bonds              |                          |
|-------------------------|----------------------------|--------------------------|
|                         | Principal                  | Interest                 |
| 2026                    | \$ 301,000                 | \$ 47,438                |
| 2027                    | 307,000                    | 40,403                   |
| 2028                    | 317,000                    | 33,137                   |
| 2029                    | 327,000                    | 27,559                   |
| 2030                    | 340,000                    | 19,398                   |
| 2031                    | 354,000                    | 9,894                    |
| <b>Total</b>            | <u><u>\$ 1,946,000</u></u> | <u><u>\$ 177,829</u></u> |

# TOWN OF MADISONVILLE, LOUISIANA

## Notes to Financial Statements

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### Note 12. Restricted Assets

#### Revenue Bonds

As shown in Note 11, the Town has \$1,946,000 of future debt service requirements of Gas Utility Revenue Bonds. The proceeds of these bonds were used to construct and acquire extensions, improvements, and replacements of the Town's natural gas utility system. The bond resolution of these issues requires the Town to restrict and maintain the following funds:

#### Revenue Bond Sinking Fund

The requirement calls for the establishment and maintenance of a Gas Utility Revenue Bond Sinking Fund sufficient to pay promptly and in full the principal and interest on bonds authorized as they become due and payable. This requirement has been met as of June 30, 2025.

#### Revenue Bond Reserve Fund

Each month, the Town is required to deposit ten percent of the amount to be deposited in the sinking fund until the reserve is equal to the reserve fund requirement. This fund is restricted to be used to pay bonds in case of default. This requirement has been met as of June 30, 2025.

#### Depreciation and Contingency Fund

The resolution called for the establishment and maintenance of a Depreciation and Contingency Fund to care for depreciation, extensions, additions, improvements, and replacements necessary to properly operate the gas system. Regular deposits equal to five percent of the amount to be deposited in the sinking fund per month are to be deposited with the regularly designated fiscal agent of the Town. This requirement has been met as of June 30, 2025.

### Note 13. Recently Issued Accounting Pronouncements

#### New Accounting Pronouncements - Adopted

The Town adopted the following accounting pronouncements during the year ended June 30, 2025:

#### GASB Statement No. 101, *Compensated Absences*

The Statement updates the recognition and measurement guidance for compensated absences. The Town adopted the Statement which did not have an effect on its financial statements.

#### GASB Statement No. 102, *Certain Risk Disclosures*

The objective of the Statement is to provide users of government financial statements with essential information about risks related to government's vulnerabilities due to certain concentrations or constraints. The Statement is effective for fiscal years beginning after June 15, 2024.

## TOWN OF MADISONVILLE, LOUISIANA

### Notes to Financial Statements

---

#### Note 13. Recently Issued Accounting Pronouncements (Continued)

##### **New Accounting Pronouncements - Upcoming**

##### GASB Statement No. 103, *Financial Reporting Model Improvements*

The objective of the Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The Statement is effective for fiscal years beginning after June 15, 2025.

##### GASB Statement No. 104, *Disclosure of Certain Capital Assets*

The objective of the Statement is to provide users of government financial statements with essential information about certain types of capital assets. The Statement is effective for fiscal years beginning after June 15, 2025.

Management is currently evaluating the effects of the new GASB pronouncements scheduled for implementation for the fiscal year ending June 30, 2026.

**REQUIRED SUPPLEMENTARY INFORMATION (PART II)**

**TOWN OF MADISONVILLE, LOUISIANA**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2025**

**Schedule I**

|  | Original<br>Budget | Final<br>Budget   | Actual              | Variance with<br>Final Budget<br>Favorable/<br>(Unfavorable) |
|--|--------------------|-------------------|---------------------|--|
| <b>Revenues</b>                        |                    |                   |                     |  |
| Taxes                                  |                    |                   |                     |  |
| Sales and Use Taxes                    | \$ 905,000         | \$ 905,000        | \$ 1,000,026        | \$ 95,026  |
| Property Taxes                         | 145,000            | 145,000           | 163,314             | 18,314   |
| Franchise Taxes                        | 76,000             | 76,000            | 98,432              | 22,432   |
| Other Taxes                            | 5,000              | 5,000             | 3,644               | (1,356)  |
| Intergovernmental Grants               | 8,000              | 8,000             | 25,715              | 17,715   |
| Fines and Forfeitures                  | 200,000            | 200,000           | 218,598             | 18,598   |
| Licenses and Permits                   | 150,000            | 150,000           | 269,602             | 119,602  |
| Other Revenues                         | 165,500            | 165,500           | 180,332             | 14,832   |
| Interest Income                        | 40,000             | 40,000            | 51,912              | 11,912   |
| <b>Total Revenues</b>                  | <u>1,694,500</u>   | <u>1,694,500</u>  | <u>2,011,575</u>    | <u>317,075</u>   |
| <b>Expenditures</b>                    |                    |                   |                     |  |
| Current                                |                    |                   |                     |  |
| Salaries and Benefits - Police         | 515,190            | 515,190           | 472,274             | 42,916   |
| Salaries and Benefits - Admin          | 116,195            | 116,195           | 139,763             | (23,568)   |
| Other Police Expenses                  | 110,495            | 110,495           | 104,526             | 5,969  |
| Legal and Professional Fees            | 69,400             | 69,400            | 64,575              | 4,825  |
| Other Administrative Expenses          | 150,799            | 150,799           | 194,336             | (43,537)   |
| Alderman and Mayor Fees                | 106,000            | 106,000           | 106,000             | -  |
| Accounting and Auditing                | 40,812             | 40,812            | 27,257              | 13,555   |
| Hurricane Recovery                     | -                  | -                 | 24,192              | -  |
| Utilities and Telephone                | 18,450             | 18,450            | 17,462              | 988  |
| Property Insurance                     | 37,767             | 37,767            | 17,764              | 20,003   |
| Repairs and Maintenance                | 54,500             | 54,500            | 13,425              | 41,075   |
| Payroll Services                       | 12,107             | 12,107            | 13,836              | (1,729)  |
| Grant Expenses                         | -                  | -                 | 12,500              | -  |
| Advertising                            | 5,000              | 5,000             | 13,925              | (8,925)  |
| Ad Valorem Collection Fees             | 4,000              | 4,000             | 3,016               | 984  |
| Capital Outlay                         | -                  | -                 | 1,479               | (1,479)  |
| <b>Total Expenditures</b>              | <u>1,240,715</u>   | <u>1,240,715</u>  | <u>1,226,330</u>    | <u>51,077</u>  |
| <b>Net Change in Fund Balance</b>      | <u>\$ 453,785</u>  | <u>\$ 453,785</u> | <u>785,245</u>      | <u>\$ 368,152</u>  |
| <b>Fund Balance, Beginning of Year</b> |                    |                   | <u>3,435,501</u>    |  |
| <b>Fund Balance, End of Year</b>       |                    |                   | <u>\$ 4,220,746</u> |  |

See independent auditor's report.

**TOWN OF MADISONVILLE, LOUISIANA**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Year Ended June 30, 2025**

**Schedule II**

|   | Original<br>Budget | Final<br>Budget   | Actual            | Variance with<br>Final Budget<br>Favorable/<br>(Unfavorable) |
|---|--------------------|-------------------|-------------------|--|
| <b>Revenues</b>                                     |                    |                   |                   |  |
| Taxes   |                    |                   |                   |  |
| Sales and Use Taxes                                 | \$ 905,000         | \$ 905,000        | \$ 1,000,026      | \$ 95,026  |
| Intergovernmental Grants                            | -                  | -                 | 90,004            | 90,004   |
| Other Revenues                                      | 18,000             | 18,000            | 24,411            | 6,411  |
| Interest Income                                     | 85,000             | 85,000            | 94,687            | 9,687  |
| <b>Total Revenues</b>                               | <u>1,008,000</u>   | <u>1,008,000</u>  | <u>1,209,128</u>  | <u>201,128</u>   |
| <b>Expenditures</b>                                 |                    |                   |                   |  |
| Current   |                    |                   |                   |  |
| Salaries and Benefits                               | 186,177            | 186,177           | 179,038           | 7,139  |
| Street Maintenance                                  | 412,000            | 412,000           | 278,782           | 133,218  |
| Utilities   | 42,725             | 42,725            | 47,863            | (5,138)  |
| Repairs and Maintenance                             | 60,449             | 60,449            | 76,507            | (16,058)   |
| Other General Expenses                              | 8,575              | 8,575             | 14,570            | (5,995)  |
| Recreation  | 50,000             | 50,000            | 47,537            | 2,463  |
| Accounting and Auditing                             | 3,000              | 3,000             | 3,000             | -  |
| Capital Outlay                                      | -                  | -                 | 810,699           | (810,699)  |
| <b>Total Expenditures</b>                           | <u>762,926</u>     | <u>762,926</u>    | <u>1,457,996</u>  | <u>(695,070)</u>   |
| <b>Deficiency of Revenues<br/>Over Expenditures</b> | <u>245,074</u>     | <u>245,074</u>    | <u>(248,868)</u>  | <u>(493,942)</u>   |
| <b>Net Change in Fund Balance</b>                   | <u>\$ 245,074</u>  | <u>\$ 245,074</u> | <u>(248,868)</u>  | <u>\$ (493,942)</u>  |
| <b>Fund Balance, Beginning of Year</b>              |                    |                   | <u>1,043,656</u>  |  |
| <b>Fund Balance, End of Year</b>                    |                    |                   | <u>\$ 794,788</u> |  |

See independent auditor's report.

**TOWN OF MADISONVILLE, LOUISIANA**  
**Required Supplementary Information Under**  
**GASB Statement No. 68**  
**Schedule of Town's Proportionate Share of Net Pension Liability**  
**For the Year Ended June 30, 2025**

**Schedule III**

| <b>Municipal Employees' Retirement System</b>  | <b>2025</b>       | <b>2024</b> | <b>2023</b> | <b>2022</b> | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2018</b> | <b>2017</b> | <b>2016</b> |
|--|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Town's Portion of the Net Pension Liability  | <b>0.60569%</b>   | 0.69570%    | 0.66427%    | 0.71131%    | 0.77344%    | 0.82515%    | 0.85528%    | 0.91876%    | 0.96504%    | 0.88382%    |
| Town's Proportionate Share of the Net Pension Liability  | <b>\$ 367,513</b> | \$ 557,850  | \$ 583,220  | \$ 412,069  | \$ 700,911  | \$ 721,852  | \$ 723,420  | \$ 794,940  | \$ 799,929  | \$ 600,684  |
| Town's Covered Payroll   | <b>\$ 551,749</b> | \$ 593,094  | \$ 530,301  | \$ 567,954  | \$ 592,801  | \$ 638,300  | \$ 646,345  | \$ 769,794  | \$ 709,023  | \$ 610,915  |
| Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | <b>66.61%</b>     | 94.06%      | 109.98%     | 72.55%      | 118.24%     | 113.09%     | 111.92%     | 103.27%     | 112.82%     | 84.72%      |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                     | <b>79.05%</b>     | 73.25%      | 69.56%      | 79.14%      | 66.26%      | 66.14%      | 65.60%      | 63.49%      | 62.11%      | 68.71%      |
| <b>Municipal Police Employees' Retirement System</b>   | <b>2025</b>       | <b>2024</b> | <b>2023</b> | <b>2022</b> | <b>2021</b> | <b>2020</b> |             |             |             |             |
| Town's Portion of the Net Pension Liability  | <b>0.01233%</b>   | 0.01219%    | 0.01931%    | 0.02465%    | 0.02807%    | 0.01353%    |             |             |             |             |
| Town's Proportionate Share of the Net Pension Liability  | <b>\$ 111,736</b> | \$ 123,798  | \$ 197,362  | \$ 131,377  | \$ 259,414  | \$ 122,875  |             |             |             |             |
| Town's Covered Payroll   | <b>\$ 44,251</b>  | \$ 41,299   | \$ 62,220   | \$ 75,190   | \$ 79,832   | \$ 38,854   |             |             |             |             |
| Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | <b>252.51%</b>    | 299.76%     | 317.20%     | 174.73%     | 324.95%     | 316.25%     |             |             |             |             |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                     | <b>75.84%</b>     | 71.30%      | 70.80%      | 84.09%      | 70.94%      | 71.00%      |             |             |             |             |

**Notes:**

GASB 68 requires this schedule to show information for 10 years. The Town implemented GASB 68 in its 2015 fiscal year. The Town began contributing to the Municipal Police Employees' Retirement System in fiscal year 2019. As a result, there is no data to report for prior years. Additional years will be displayed as they become available.

See independent auditor's report.

**TOWN OF MADISONVILLE, LOUISIANA**  
**Required Supplementary Information Under**  
**GASB Statement No. 68**  
**Schedule of Town's Contributions**  
**For the Year Ended June 30, 2025**

**Schedule IV**

| <b>Municipal Employees' Retirement System</b>                        | <b>2025</b> | <b>2024</b> | <b>2023</b> | <b>2022</b> | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2018</b> | <b>2017</b> | <b>2016</b> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Contractually Required Contribution                                  | \$ 68,706   | \$ 85,521   | \$ 91,930   | \$ 82,197   | \$ 88,033   | \$ 82,992   | \$ 88,006   | \$ 83,376   | \$ 71,098   | \$ 67,356   |
| Contributions in Relation to the Contractually Required Contribution | (68,706)    | (85,521)    | (91,930)    | (82,197)    | (88,033)    | (82,992)    | (88,006)    | (83,376)    | (71,098)    | (67,356)    |
| Contribution Deficiency (Excess)                                     | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |
| Town's Covered Payroll   | \$ 492,583  | \$ 551,749  | \$ 593,094  | \$ 530,301  | \$ 567,954  | \$ 592,801  | \$ 638,300  | \$ 646,345  | \$ 769,794  | \$ 709,023  |
| Contributions as a Percentage of its Covered Payroll                 | 13.95%      | 15.50%      | 15.50%      | 15.50%      | 15.50%      | 14.00%      | 13.79%      | 12.90%      | 9.24%       | 9.50%       |
| <b>Municipal Police Employees' Retirement System</b>                 | <b>2025</b> | <b>2024</b> | <b>2023</b> | <b>2022</b> | <b>2021</b> | <b>2020</b> | <b>2019</b> |             |             |             |
| Contractually Required Contribution                                  | \$ 19,234   | \$ 15,012   | \$ 12,906   | \$ 18,511   | \$ 25,377   | \$ 25,945   | \$ 12,530   |             |             |             |
| Contributions in Relation to the Contractually Required Contribution | (19,234)    | (15,012)    | (12,906)    | (18,511)    | (25,377)    | (25,945)    | (12,530)    |             |             |             |
| Contribution Deficiency (Excess)                                     | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |             |             |             |
| Town's Covered Payroll   | \$ 54,027   | \$ 41,299   | \$ 41,299   | \$ 62,220   | \$ 75,190   | \$ 79,832   | \$ 38,854   |             |             |             |
| Contributions as a Percentage of its Covered Payroll                 | 35.60%      | 36.35%      | 31.25%      | 29.75%      | 33.75%      | 32.50%      | 32.25%      |             |             |             |

**Notes:**

The amounts presented have a measurement date of the previous fiscal year-end.  
 GASB 68 requires this schedule to show information for 10 years. The Town implemented GASB 68 in its 2015 fiscal year.  
 The Town began contributing to the Municipal Police Employees' Retirement System in fiscal year 2019.  
 As a result, there is no data to report for prior years. Additional years will be displayed as they become available.

See independent auditor's report.

## **OTHER SUPPLEMENTARY INFORMATION**

**TOWN OF MADISONVILLE, LOUISIANA**  
**Schedule of Compensation Paid to Members**  
**of the Board of Aldermen**  
**For the Year Ended June 30, 2025**

| <b><u>Official</u></b>   | <b><u>Term Expires</u></b> | <b><u>Compensation</u></b> |
|--------------------------|----------------------------|----------------------------|
| Louis Ogle, Alderman     | June 30, 2028              | \$ 10,800                  |
| Timothy Bounds, Alderman | June 30, 2028              | \$ 10,800                  |
| Keith Dennis, Alderman   | June 30, 2028              | \$ 10,800                  |
| Brad Haddox, Alderman    | June 30, 2028              | \$ 10,800                  |
| Kristin Faison, Alderman | June 30, 2028              | \$ 10,800                  |

See independent auditor's report.

**TOWN OF MADISONVILLE, LOUISIANA**  
**Schedule of Compensation, Benefits, and Other Payments**  
**to Agency Head**  
**For the Year Ended June 30, 2025**

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**Agency Head**  
Jean Pelloat, Mayor

| <b>Purpose</b>                         | <b>Amount</b> |
|--|---------------|
| Salary                                 | \$52,000      |
| Benefits - Insurance                   | \$0           |
| Benefits - Retirement                  | \$6,975       |
| Benefits - Other                       | \$0           |
| Car Allowance                          | \$0           |
| Vehicle Provided by Government         | \$1,173       |
| Per Diem                               | \$0           |
| Reimbursements                         | \$197         |
| Travel                                 | \$0           |
| Registration Fees                      | \$0           |
| Conference Travel                      | \$0           |
| Continuing Professional Education Fees | \$1,163       |
| Housing                                | \$0           |
| Unvouchered Expenses                   | \$0           |
| Special Meals                          | \$0           |
| Cell Phone                             | \$613         |

See independent auditor's report.

**TOWN OF MADISONVILLE, LOUISIANA**  
**Justice System Funding Schedule - Agency Information**  
**As Required by Act 87 of the 2020 Regular Legislative Session**  
**General Fund**  
**Cash Basis Presentation**  
**For the Six-Month Periods Ended December 31, 2024 and June 30, 2025**

|  |                      |
|--|----------------------|
| <b>1. Agency ID of Reporting Agency</b><br>(Enter your agency's four or five digit Agency ID.) | 2284                 |
| <b>2. Name of Reporting Agency</b><br>(Edit the name if needed.)                               | Town of Madisonville |
| <b>3. Date that reporting period ended (mm/dd/yyyy)</b>  | 6/30/2025            |
| <b>4. Did you collect or disburse money during year?</b>                                       | Yes                  |
| <b>5. Did another agency send you money during the year?</b>                                   | No                   |

See independent auditor's report.

**TOWN OF MADISONVILLE, LOUISIANA**  
**Justice System Funding Schedule - Collecting/Disbursing Schedule**  
**As Required by Act 87 of the 2020 Regular Legislative Session**  
**General Fund**  
**Cash Basis Presentation**  
**For the Six-Month Periods Ended December 31, 2024 and June 30, 2025**

|  | Amount for<br>07/01/2024 -<br>12/31/2024 | Amount for<br>01/01/2025 -<br>06/30/2025 |
|--|--|--|
| <b>1. Beginning Cash Balance</b>   | -  | -  |
| <b>2. Collections</b>  |  |  |
| a. Civil Fees  | -  | -  |
| b. Bond Fees   | -  | -  |
| c. Cash Bonds  | -  | -  |
| d. Asset Forfeiture/Sale   | -  | -  |
| e. Pre-Trial Diversion Program Fees  | -  | -  |
| f. Criminal Court Costs/Fees   | 98,346                                   | 91,239                                   |
| g. Criminal Fines – Contempt   | -  | -  |
| h. Criminal Fines – Other/Non-Contempt   | -  | -  |
| i. Restitution   | -  | -  |
| j. Probation/Parole/Supervision Fees   | -  | -  |
| k. Service Fees  | -  | -  |
| l. Collection Fees   | -  | -  |
| m. Interest Earnings on Collected Balances   | -  | -  |
| n. Other   | -  | -  |
| <b>Total Collected</b>   | <b>98,346</b>                            | <b>91,239</b>                            |
| <b>3. Deductions: Collections Retained by the Town of Madisonville</b>   |  |  |
| I. Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection  | -  | -  |
| II. Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount   | -  | -  |
| III. Other Amounts "Self-Disbursed" [Enter amounts on appropriate collection type lines]   |  |  |
| a. Civil Fees  | -  | -  |
| b. Bond Fees   | -  | -  |
| c. Cash Bonds  | -  | -  |
| d. Asset Forfeiture/Sale   | -  | -  |
| e. Pre-Trial Diversion Program Fees  | -  | -  |
| f. Criminal Court Costs/Fees   | 95,391                                   | 88,309                                   |
| g. Criminal Fines – Contempt   | -  | -  |
| h. Criminal Fines – Other/Non-Contempt   | -  | -  |
| i. Restitution   | -  | -  |
| j. Probation/Parole/Supervision Fees   | -  | -  |
| k. Service Fees  | -  | -  |
| l. Collection Fees [excluding amounts reported in bullets I and II above]  | -  | -  |
| m. Interest Earnings on Collected Balances   | -  | -  |
| n. Other   | -  | -  |
| <b>Total Collections Retained by the Town of Madisonville</b>  | <b>95,391</b>                            | <b>88,309</b>                            |
| <b>4. Deductions: Amounts Disbursed to Individuals and Entities, Excluding Governments and Nonprofits</b>                                |  |  |
| a. Collection/Processing Fees Paid to Third Party Entities   | -  | -  |
| b. Civil Fee Refunds   | -  | -  |
| c. Bond Refunds  | -  | -  |
| d. Restitution Disbursements to Individuals and Entities, Excluding Governments or a Nonprofit   | -  | -  |
| e. Other Disbursements to Individuals and Entities, Excluding Governments or a Nonprofit   | -  | -  |
| <b>Total Amounts Disbursed to Individuals and Entities, Excluding Governments and Nonprofits</b>   | <b>-</b>                                 | <b>-</b>                                 |
| <b>5. Deductions: Total Disbursements to Other Governments &amp; Nonprofits</b>  | <b>2,955</b>                             | <b>2,930</b>                             |
| <b>6. Total Amounts Disbursed/Retained</b>   | <b>98,346</b>                            | <b>91,239</b>                            |
| <b>7. Ending Cash Balance</b>  | <b>-</b>                                 | <b>-</b>                                 |
| <b>8. Ending Balance of "Partial Payments" Collected but not Disbursed</b>   | <b>-</b>                                 | <b>-</b>                                 |
| <b>9. Other Information:</b>   |  |  |
| I. Ending Balance of Amounts Assessed but Not Yet Collected<br>[i.e. total ending receivable balances]                                   | -  | -  |
| II. Total Waivers During the Fiscal Period<br>[i.e. non-cash reduction of receivable balances, such as time served or community service] | -  | -  |

See independent auditor's report.

**TOWN OF MADISONVILLE, LOUISIANA**  
**Justice System Funding Schedule - Disbursement to Other Governments and Nonprofits Form**  
**As Required by Act 87 of the 2020 Regular Legislative Session**  
**General Fund**  
**Cash Basis Presentation**  
**For the Six-Month Periods Ended December 31, 2024 and June 30, 2025**

| <b>5. Details of Disbursements To Other Governments &amp; Nonprofits</b> (Do not include amounts retained by your entity in this table.) |  |  |                              |   |   |
|--|--|--|------------------------------|---|---|
| <b>Agency Receiving Money</b>  | <b>Disbursement Description<br/>[Fund, Program, etc.]<br/>(Optional)</b> | <b>Legal Authority to<br/>Disburse Money</b> | <b>Disbursement Type</b>     | <b>Amount for<br/>07/01/2024 -<br/>12/31/2024</b> | <b>Amount for<br/>01/01/2025 -<br/>06/30/2025</b> |
| Louisiana Department of Health   | §2633. Traumatic Head and Spinal Cord Injury Trust Fund                  | R.S. 46:2633                                 | f. Criminal Court Costs/Fees | 680   | 685   |
| New Orleans Crime Stoppers Inc   | Art. 895.4. Probation; fees; certified crime stoppers organizations      | CCRP 895.4                                   | f. Criminal Court Costs/Fees | 588   | 524   |
| Florida Parishes Juvenile Justice District   |  | R.S. 15:1094.7 (A)                           | f. Criminal Court Costs/Fees | 970   | 1,050   |
| Supreme Court  | §86. Judicial College; education account; sources of funds               | R.S. 13:86                                   | f. Criminal Court Costs/Fees | -   | 40  |
| LA Commission on Law Enforcement and Administration of Criminal Justice  |  | R.S. 46:1816(D)                              | f. Criminal Court Costs/Fees | 581   | 514   |
| Out of State: Louisiana Judicial College   |  | R.S. 13:86                                   | f. Criminal Court Costs/Fees | 136   | 117   |
|  |  |  |                              |   |   |
|  |  |  |                              |   |   |
|  |  |  |                              |   |   |
|  |  |  |                              |   |   |
|  | Art. 895.4. Probation; fees; certified crime stoppers organizations      | CCRP 895.4                                   | f. Criminal Court Costs/Fees | -   | -   |
|  |  |  |                              |   |   |
| Supreme Court  | §86. Judicial College; education account; sources of funds               | R.S. 13:86                                   | f. Criminal Court Costs/Fees | -   | -   |
| LA Commission on Law Enforcement and Administration of Criminal Justice  |  | R.S. 46:1816(D)                              | f. Criminal Court Costs/Fees | -   | -   |
| Out of State: Louisiana Judicial College   |  | R.S. 13:86                                   | f. Criminal Court Costs/Fees | -   | -   |
|  |  |  |                              |   |   |

See independent auditor's report.



**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**

Independent Auditor's Report

To the Honorable Jean Pelloat, Mayor  
and Members of the Board of Aldermen  
Town of Madisonville, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Madisonville, Louisiana (the Town), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 10, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as items 2025-001 and 2025-002.

### **Town of Madisonville's Response to Findings**

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

### **Purpose of this Report**

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

*Mauldin & Jenkins, LLC*

Baton Rouge, Louisiana  
December 10, 2025

**TOWN OF MADISONVILLE, LOUISIANA**  
**Schedule of Findings and Responses**  
**For the Year Ended June 30, 2025**

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**A. Summary of Auditor’s Results**

Financial Statements

- |  |            |
|--|------------|
| 1. Type of auditor’s report                            | Unmodified |
| 2. Internal control over financial reporting           |            |
| a. Material weaknesses identified?                     | None       |
| b. Significant deficiencies identified?                | None       |
| c. Noncompliance material to the financial statements? | Yes        |

Federal Awards

Not applicable.

**Financial Statement Findings**

None.

**Findings - Compliance and Other Matters**

**2025-001      Noncompliance With Fiscal Agency and Cash Management Laws**

- Criteria:* Louisiana Revised Statute 39:1221 requires that local depository authorities shall obtain additional security for deposits in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC).
- Condition:* Deposits were exposed to credit risk due to inadequate collateralization of bank deposits in excess of FDIC coverage.
- Cause:* Lack of controls or procedures to ensure that all depository institutions in which Town funds are held are providing additional security for deposits in excess of FDIC coverage.
- Effect:* Public funds were exposed to credit risk.
- Recommendation:* Implementation of controls or procedures to ensure that all depository institutions in which Town funds are held are providing additional security for deposits in excess of FDIC coverage.
- Management’s Response:* Management notified the bank of the inadequate collateral and the bank provided additional collateral subsequent to year end.

**TOWN OF MADISONVILLE, LOUISIANA**  
**Schedule of Findings and Responses**  
**For the Year Ended June 30, 2025**

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**2025-002 Failure to Amend Budget (R.S. 39:1310)**

*Criteria:* The Town is required to follow the requirements of the Louisiana Local Government Budget Act at R.S. 39:1301 through 39:1315.

*Condition:* State law requires that budgets be amended when actual revenues are less than budgeted revenues or actual expenditures and other financing uses exceed budgeted amounts by 5% or more. For the year ended June 30, 2025, the Special Revenue Fund had actual expenditures of of \$1,457,996 which exceeded budgeted expenditures of \$762,926 which resulted in an unfavorable variance of \$695,070, or 91%.

*Cause:* Due to a lack of quorum, the Council was not able to amend the special revenue fund budget. .

*Effect:* The Town did not comply with all of the requirements of the Louisiana Local Government Budget Act as outlined above.

*Recommendation:* We recommend the monitoring of actual revenues accumulated by department and fund more closely and making appropriate budget amendments to comply with the law requiring the budget to actual variance to be within 5%.

*Management's Response:* Management will review budget to actual comparisons and amend the budget when budgeted revenues are falling short of actual by more than 5%.

**TOWN OF MADISONVILLE, LOUISIANA**  
**Schedule of Prior Year Findings and Responses**  
**For the Year Ended June 30, 2025**

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**Financial Statement Findings**

None.

**Findings - Compliance and Other Matters**

**2024-001      Noncompliance With Fiscal Agency and Cash Management Laws**

*Condition:*                      Deposits were exposed to credit risk due to inadequate collateralization of bank deposits in excess of FDIC coverage.

*Status:*                              Unresolved. See finding 2025-001.



## AGREED-UPON PROCEDURES REPORT

Town of Madisonville, Louisiana

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

**For the Period July 1, 2024 - June 30, 2025**

To the Honorable Mayor Jean Pelloat  
And Member of the Board of Aldermen of  
the Town of Madisonville, Louisiana  
and the Louisiana Legislative Auditor:

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

The Town has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal year July 1, 2024 through June 30, 2025. Additionally, the 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 results are as follows:

### ***1) Written Policies and Procedures***

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

**Results:** No exceptions identified as a result of the procedures performed.

## **2) Board or Finance Committee**

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- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
  - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

**Results:** No exceptions identified as a result of the procedures performed.

## **3) 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 whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
  - ii. Observe that finance charges and late fees were not assessed on the selected statements.

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

**Results:** Itemized receipts were not observed for five out of twenty-one credit card charges. In addition, one of the charges tested was for a meal and did not include documentation of persons in attendance. No other exceptions were observed.

#### **4) *Prevention of Sexual Harassment***

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

**Results:** No exceptions were observed in the performance of these procedures.

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 on those C/C areas identified in Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, and the results 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 Louisiana Legislative Auditor as a public document.

*Mauldin & Jenkins, LLC*

Baton Rouge, LA  
December 10, 2025

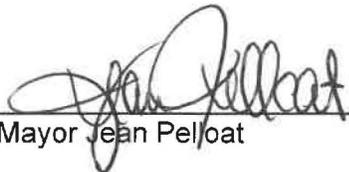
Mr. Michael J. Waguespack  
Louisiana Legislative Auditor  
1600 N 3<sup>rd</sup> Street  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

RE: Statewide Agreed-Upon Procedures

The management of the Town of Madisonville, Louisiana wishes to provide the following responses relative to the results of the 2025 Statewide agreed-upon procedures engagement:

1. In response to the results of the Board section, the Town will implement procedures for reporting to the City Council on the status of prior audit findings.
2. In response to the results of the Credit Card section, we will implement policies to document the independent review and approval of all statements.

Town of Madisonville, Louisiana



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Mayor Jean Pelloat