TOWN OF MELVILLE

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Rozier McKay & Willis | CERTIFIED PUBLIC ACCOUNTANTS

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Rozier McKay & Willis
CERTIFIED PUBLIC ACCOUNTANTS

February 12, 2026

Independent Auditors' Report

The Honorable Mayor and Board of Aldermen
Town of Melville, Louisiana

REPORT ON THE FINANCIAL STATEMENTS

Qualified and Unmodified Opinions

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

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
Business-Type Activities	Qualified
General Fund	Unmodified
Sales Tax Fund	Unmodified
Utility Fund	Qualified
Aggregate Remaining Fund Information	Unmodified

Qualified Opinion on the Business-Type Activities and the Utility Fund

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions Section of our Report, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and Utility Fund for the Town of Melville as of September 30, 2025 and the 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.

Unmodified Opinion on the Governmental Activities, General Fund, Sales Tax Fund, and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, general fund, sales tax fund, and the aggregate remaining fund information of the Town of Melville, as of September 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified, and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 of Melville, 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 qualified and unmodified audit opinions.

Matters Giving Rise to the Qualified Opinion of the Business-Type Activities, Utility Fund

A variety of factors, including incomplete records, insufficient documentary evidence, and a cumbersome utility software program prevented management from being able to reconcile accounts receivable balances in the utility fund to the general ledger. The effect of management's inability to reconcile these balances on the financial statements has not been determined. In addition, the Town has specific, identifiable revenue streams in the utility fund which are pledged in support of different revenue bonds, called segments. Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. Management has not presented this segment information as a disclosure in the notes to the financial statements. The amount by which these departures would affect the assets, deferred inflows and deferred outflows, liabilities, and net position has not been determined.

Emphasis-of-Matter

As discussed in Note 12 to the financial statements, the Town has suffered recurring losses from operations. Management's evaluation of the events and conditions and management's plans to mitigate these matters are also described in Note 12. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Melville'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 generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional 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 of Melville'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 of Melville'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 the information listed below to supplement the basic financial statements.

- Management's Discussion and Analysis
- Budgetary Comparison Information

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our engagement to audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Melville's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to the Agency Head or Chief Executive Officer, the Schedule of Per Diem Paid to Board Members, and the Justice System Funding Schedule, described as additional information in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARD

In accordance with *Government Auditing Standards,* we have also issued our report dated February 12, 2026, on our consideration of the Town of Melville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an engagement in accordance with *Government Auditing Standards* in considering the Town of Melville's internal control over financial reporting and compliance.

Rozier, McKay & Willis

ROZIER, McKAY & WILLIS
Certified Public Accountants
Alexandria, Louisiana

February 12, 2026

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

The Honorable Mayor and Board of Aldermen
Town of Melville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Melville, as of and for the year ended September 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 February 12, 2026

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Melville'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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described as 2025-006 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Melville'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 matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings as items 2025-001, 2025-002, 2025-003, 2025-004, 2025-005, 2025-007, and 2025-008.

Town of Melville's Response to Findings

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

Purpose of This Report

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

Rozier, McKay & Willis

ROZIER, McKAY & WILLIS
Certified Public Accountants
Alexandria, Louisiana

This section of the Town of Melville's annual financial report presents our discussion and analysis of the Town's financial performance during the fiscal year ended September 30, 2025.

Overview of Financial Statements

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Town's financial position and results of operations from differing perspectives which are described as follows:

Government –Wide Financial Statements

The government-wide financial statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Town's assets (including infrastructure acquired after July 1, 2003) and all of the Town's liabilities (including long-term debt).

The government-wide financial statements are divided into two categories, which are described as follows:

- **Governmental Activities** – Expenses incurred in connection with providing basic services including police protection, fire protection, culture, recreation, public works, and general administration are reported as governmental activities. The governmental activities are financed by taxes, license fees, fines, court cost, interest, grants, and contributions.
- **Business-Type Activities** – Expenses associated with providing utility services are recovered through fees paid by the customers that utilize these services. These activities are operated in a manner similar to commercial enterprises. Accordingly, activities associated with the utility system and sanitation services are reported as business type activities.

Fund Financial Statements

Fund financial statements provide detailed information regarding the Town's most significant activities and are not intended to provide information for the Town as a whole. Funds are accounting devices that are used to account for specific sources of funds. The Town has two types of funds that are described as follows:

- **Governmental Funds** – These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental funds use a modified accrual basis of accounting that provides a short-term view of the Town's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.
- **Proprietary Fund** – These funds are used to account for activities that function in a manner similar to commercial enterprises, including activities associated with the Town's utility system and sanitation services. Proprietary fund financial statements typically provide a more detail presentation of the information reported in the business-type activities portion of the government-wide financial statements.

Financial Analysis of the Town as a Whole
A comparative analysis of government-wide data is presented as follows:

Net Position
A condensed version of the government-wide Statement of Net Position is presented as follows:

	September 30, 2025			
	Govern-mental Activities	Business-Type Activities	Total	For the Year Ended Sept. 30, 2024
Assets:				
Current and Other Assets	$ 115,659	$99,636	$ 215,295	$ 176,714
Capital Assets	244,670	2,008,683	2,253,353	2,418,623
Total Assets	360,329	2,108,319	2,468,648	2,595,337
Liabilities:				
Current and Other Liabilities	121,801	69,102	190,903	178,246
Long-Term Liabilities	54,686	980,592	1,035,278	1,047,699
Total Liabilities	176,487	1,049,694	1,226,181	1,225,945
Net Position:				
Invested in Capital Assets (Net)	189,984	1,028,091	1,218,075	1,370,924
Unrestricted	(6,142)	30,534	24,392	(1,532)
Total Net Position	$ 183,842	$ 1,058,625	1,242,467	1,369,392

As the presentation appearing above demonstrates, all of the Town's net position is invested in capital assets. Net assets invested in capital assets consist of land, buildings, and equipment less any debt used to acquire the assets that remain outstanding. The Town uses these capital assets to provide services to its citizens; consequently, these amounts are not available for future spending. While the Town's unrestricted net position has been eliminated, the Town can meet its ongoing obligations to creditors and other interested parties for the foreseeable future.

Changes in Net Position
A condensed version of the government-wide Statement of Changes in Net Position is presented as follows:

	September 30, 2025			
	Govern-mental Activities	Business-Type Activities	Total	For the Year Ended Sept. 30, 2024
Revenues:				
Program Revenue:				
Charges for Services	$ 71,749	$ 541,961	$ 613,710	$ 637,485
Operating Grants and Contributions	25,000	----	25,000	150,000
Capital Grants and Contributions	----	----	----	----
General Revenue:				
Property Taxes	19,161	----	19,161	19,062
Sales Taxes	165,646	----	165,646	141,519
Franchise Taxes	107,009	----	107,009	105,975
Occupational Licenses	33,399	----	33,399	36,258
Miscellaneous	17,628	170	17,798	3,011
Total Revenue	439,592	542,131	981,723	1,093,310
Program Expenses:				
General Government	364,535	----	364,535	489,523
Public Safety	213,682	----	213,682	232,988
Streets and Drainage	24,750	----	24,750	11,167
Interest on Long-Term Debt	1,126	----	1,126	----
Utility	----	504,555	504,555	504,263
Total Expenses	604,093	504,555	1,108,648	1,237,941
Increase in Net Position Before Transfers	(164,501)	37,576	(126,925)	(144,631)
Transfers	130,213	(130,213)	----	----
Change in Net Position	(34,288)	(92,637)	(126,925)	(144,631)
Net Position Beginning	218,130	1,151,262	1,369,392	1,514,023
Net Position Ending	$ 183,842	$ 1,058,625	$ 1,242,467	$ 1,369,392

Governmental activities decreased the Town's net position by $34,288 due to a decrease in grant revenues.

Business-type activities decreased the Town's net position by $92,637. This decrease is primarily attributable to transfers made to support governmental activities.

Financial Analysis of the Town's Funds

An analysis of significant matters affecting the Town's funds is presented as follows:

- The Town's governmental funds reported combined fund balances of $ (6,143) which represents an increase of $13,993 in comparison to the previous balance. This increase is primarily due to prudent management of the Town's resources.
- Amounts reported for business-type activities in the Town's individual funds are identical to the business-type activities reported on the government-wide presentation.

General Fund Budget Highlights
The general fund and sales tax fund are required by law to adopt a budget. The budget was amended as necessary. Some revisions of the original budget were necessary to address additional revenues and expenditures not anticipated with the original budget. A summary of each budget compared to actual amounts is presented as follows:

	General Fund		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Total Revenues / Other Sources	$ 453,169	$ 453,169	$ 613,923	$ 160,754
Total Expenditures / Other Uses	411,816	411,816	622,359	(210,543)
Net Change in Fund Balances	$ 41,353	$ 41,353	$ (8,436)	$ (49,789)

	Sales Tax		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Total Revenues / Other Sources	$ 74,025	$ 74,025	$ 165,787	$ 91,762
Total Expenditures / Other Uses	92,362	92,362	143,358	(50,996)
Net Change in Fund Balances	$ (18,337)	$ (18,337)	$ 22,429	$ 40,766

Capital Asset Administration

In the current year, capital asset activity consisted of depreciation of existing capital assets and the purchase of a new sewer pump.

Debt Administration
Activity was limited to a long-term settlement with the Municipal Police Employees Retirement System of past due obligations, and making required payments on existing long-term obligations.

Factors Expected to Affect Future Operations
Factors expected to affect future operations are detailed in Note 12 to the financial statements.

Town of Melville

STATEMENT OF NET POSITION

September 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 86,095	$ 21,019	$ 107,114
Receivables (net)	29,564	64,708	94,272
Other	-	-	-
Restricted Assets - Cash and Cash Equivalents	-	13,909	13,909
Due from Other Funds	-	-	-
Capital Assets:			
Non depreciable capital assets	92,159	-	92,159
Depreciable, net	152,511	2,008,683	2,161,194
Total assets	360,329	2,108,319	2,468,648
LIABILITIES			
Accounts Payable and Accrued Expenses	121,801	42,356	164,157
Deposits due others	-	26,746	26,746
Long-term liabilities			
Long -Term Debt			
Due within one year	9,660	21,708	31,368
Due in more than one year	45,026	958,884	1,003,910
Total liabilities	176,487	1,049,694	1,226,181
NET POSITION			
Invested in capital assets, net of related debt	189,984	1,028,091	1,218,075
Restricted for Capital Projects	-	-	-
Unrestricted	(6,142)	30,534	24,392
Total net position (deficit)	$ 183,842	$ 1,058,625	$ 1,242,467

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

Town of Melville

STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	$ 364,535	$ 20,189	$ 25,000	$ -	$ (319,346)	$ -	$ (319,346)
Public Safety	213,682	19,460	-	-	(194,222)	-	(194,222)
Streets, Drainage, & Recreation	24,750	32,100	-	-	7,350	-	7,350
Interest on Long-Term Debt	1,126	-	-	-	(1,126)	-	(1,126)
Total Governmental Activities	604,093	71,749	25,000	-	(507,344)	-	(507,344)
Business-Type Activities:							
Utility System	504,555	541,961	-	-	-	37,406	37,406
Total Business-Type Activities	504,555	541,961	-	-	-	37,406	37,406
Total Primary Government	$ 1,108,648	$ 613,710	$ 25,000	$ -	(507,344)	37,406	(469,938)
General Revenues:							
Taxes:							
Ad Valorem					19,161	-	19,161
Sales Taxes					165,646	-	165,646
Franchise					107,009	-	107,009
Occupational Licenses					33,399	-	33,399
Other					17,628	170	17,798
Transfers					130,213	(130,213)	-
Total General Revenues and Transfers					473,056	(130,043)	343,013
Change in Net Assets					(34,288)	(92,637)	(126,925)
Net Position Beginning					218,130	1,151,262	1,369,392
Net Position Ending					$ 183,842	$ 1,058,625	$ 1,242,467

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

Town of Melville

Balance Sheet

Governmental Funds - September 30, 2025

	General	Sales Tax	Total Governmental Funds
Assets			
Cash and Cash Equivalents	$ 50,155	$ 35,939	$ 86,094
Receivables (Net)	12,293	17,271	29,564
Interfund Due To/From	-	-	-
Total Assets	$ 62,448	$ 53,210	$ 115,658
Liabilities and Fund Balance			
Liabilities			
Accounts and Other Payables	$ 121,801	$ -	$ 121,801
Accrued Expenses	-	-	-
Total Liabilities	121,801	-	121,801
Fund Balance			
Unassigned	(59,353)	53,210	(6,143)
Total Fund Balance	(59,353)	53,210	(6,143)
Total Liabilities and Fund Balance	$ 62,448	$ 53,210	$ 115,658

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

Town of Melville

Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Assets of Governmental Activities on the Statement of Net Position

Year Ended September 30, 2025

Total Fund Balances - Governmental Funds	$	(6,143)
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		244,671
Long term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Fund Balance Sheet		(54,686)
Net Position of Governmental Activities	$	183,842

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

Town of Melville

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds - Year Ended September 30, 2025

	General Fund	Sales Tax	Total Governmental Funds
Revenues:			
Taxes:			
Ad Valorem	$ 19,161	$ -	$ 19,161
Sales Tax	-	165,646	165,646
Licenses and Permits:			
Occupational Licenses	33,399	-	33,399
Franchise	107,008	-	107,008
Other permits	-	-	-
Fines and Fees	5,100	-	5,100
Intergovernmental:			
Payment in Lieu of Taxes	4,321	-	4,321
Other Intergovernmental	71,460	-	71,460
Other	33,355	141	33,496
Total Revenues	273,804	165,787	439,591
Expenditures:			
Current:			
General Government	349,437	166	349,603
Public Safety	192,143	-	192,143
Streets and Drainage	3,625	-	3,625
Debt Service	10,440	-	10,440
Capital Outlays	-	-	-
Total Expenditures	555,645	166	555,811
Excess (Deficiency) of Revenues over Expenditures	(281,841)	165,621	(116,220)

Continued…

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

Town of Melville

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds - Year Ended September 30, 2025

	General	Sales Tax	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	(281,841)	165,621	(116,220)
Other Financing Sources (Uses):			
Operating Transfers In	340,119	-	340,119
Operating Transfers Out	(66,714)	(143,192)	(209,906)
Total Other Financing Sources (Uses)	273,405	(143,192)	130,213
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	(8,436)	22,429	13,993
Fund Balance - Beginning	(50,917)	30,781	(20,136)
Fund Balance - End of Year	$ (59,353)	$ 53,210	$ (6,143)

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

Town of Melville

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities

Year Ended September 30, 2025

Net change in fund balances of Governmental Funds		$ 13,993
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital expenditures reported by Governmental Funds	-	
Depreciation expense reported on a government-wide basis	(41,595)	(41,595)
Repayment of Long Term Debt is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net position		9,314
Additions to Long Term Debt		(16,000)
Change in net position of governmental activities		$ (34,288)

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

Town of Melville

Statement of Net Position
Proprietary Funds - Year Ended September 30, 2025

		Business-Type Activities
		Utility System
Assets		
Current Assets:		
Cash and Cash Equivalents	$	21,019
Receivables (Net)		64,708
Total Current Assets		85,727
Restricted Assets:		
Cash and Cash Equivalents		13,909
Noncurrent Assets:		
Non-Depreciable Capital Assets		
Land		-
Depreciable Capital Assets, Net		2,008,683
Total Noncurrent Assets		2,008,683
Total Assets		2,108,319
Liabilities:		
Current Liabilities:		
Accounts and Other Payables		42,356
Deposits Due Others		26,746
Compensated Absences		-
Total Current Liabilities		69,102
Liabilities Payable from Restricted Assets		
Current Portion of Long-Term Debt		21,708
Noncurrent Liabilities		
Long-Term Debt		958,884
Total Noncurrent Liabilities		980,592
Total Liabilities		1,049,694
Net Position:		
Invested in Capital Assets, Net of Related Debt		1,028,091
Unrestricted		30,534
Total Net Position	$	1,058,625

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

Town of Melville

Statement of Revenues, Expenditures, and Changes in Fund Net Assets
Proprietary Funds - Year Ended September 30, 2025

		Business-Type Activities
		Utility System
Operating Revenues:		
Charges for Services:		
Gas Sales	$	131,933
Water Sales		228,325
Sewer Charges		158,668
Miscellaneous		23,035
Total Operating Revenues		541,961
Operating Expenses:		
Natural Gas Purchases		35,418
Salaries and wages		69,521
Materials, Supplies, and Maintenance		78,140
Office and Postage		20,638
Insurance		61,506
Legal and Professional		6,834
Utilities and Telephone		58,316
Depreciation		135,570
Total Operating Expenses		465,943
Operating Income (Loss)		76,018
Non-Operating Revenues (Expenses):		
Interest Income		170
Interest Expense		(38,611)
Change in Net Assets Before Contributions and Transfers		37,577
Contributions and Transfers:		
Operating Transfers In		88,521
Operating Transfers Out		(218,735)
Change in Net Position		(92,637)
Net Position Beginning, Originally Reported		1,151,262
Total Net Position - Ending	$	1,058,625

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

Town of Melville

Statement of Cash Flows

Proprietary Funds - Year Ended September 30, 2025

		Business-Type Activities
		Utility System
Cash Flow from Operating Activities:		
Cash Received from Customers	$	531,910
Cash Payments to Suppliers of Goods and Services		(254,845)
Cash Payments to Employees for Service		(69,521)
Net Cash Provided (Used) by Operating Activities		207,544
Cash Flows from Non-Capital Financing Activities		
Interfund Activity, Net		-
Operating Transfers, Net		(130,214)
Net Cash Provided (Used) by Non-Capital Financing Activities		(130,214)
Cash Flows from Capital and Related Financing Activities:		
Interest Paid on Debt		(38,611)
Principle Paid on Debt		(19,107)
Assets Aquired		(11,897)
Net Cash Provided (Used) by Capital and Related Financing Activities		(69,615)
Cash Flows from Investing Activities:		
Interest and Other Income		170
Net Cash Provided (Used) by Investing Activities		170
Net Increase (Decrease) in Cash		7,885
Beginning Cash Balance		27,043
Ending Cash Balance		34,928
Cash - Restricted		(13,909)
Cash - Unrestricted	$	21,019

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

Town of Melville

Statement of Cash Flows (Continued)

Proprietary Funds - Year Ended September 30, 2025

		Business-Type Activities Utility System
Reconciliation of Operating Income (Loss) to Net Cash		
Operating Income (Loss)	$	76,018
Adjustments to Reconcile Operating Income to Net Cash		
Provided by Operating Activities:		
Depreciation		135,570
(Increase) Decrease in Accounts Receivable		(9,113)
(Increase) Decrease in Prepaid Expenses		-
(Decrease) Increase in Accounts Payable		6,007
(Decrease) Increase in Meter Deposits		(938)
Net Cash Provided (Used) by Operating Activities	$	207,544

Supplemental disclosures of cash flow information:

For the year ended September 30, 2025 there were no investing, capital, and financing activities that did not result in cash receipts or payments.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Melville, Louisiana (the Town) was incorporated under the provisions of the Lawrason Act and operates under a Mayor-Board of Aldermen form of government. The Town provides various services including public safety, streets and drainage, recreation, public improvements, utility (gas, water, and sewerage), and general administrative services.

The accompanying policies of the Town of Melville, Louisiana, conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies.

Financial Reporting Entity

As the municipal governing authority, for reporting purposes the Town is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the Town), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board establishes criteria for determining which component units should be considered part of the Town of Melville for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criterion includes:

1. Appointing a voting majority of an organization's governing body, and

    - The ability of the Town to impose its will on that organization, and/or

    - The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Town.

2. Organizations for which the Town does not appoint a voting majority but are fiscally dependent on the Town.

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based upon the above criteria, the Town of Melville has no component units for the year ended September 30, 2025.

Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize activities as either governmental activities or business-type activities, which are described as follows:

- Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.
- Business-type activities rely on fees and charges for support and operate in a manner similar to private sector enterprises.

The government-wide and fund financial statements present the Town's financial position and results of operations from differing perspectives which are described as follows:

Government-Wide Financial Statements
The Statement of Net Assets and the Statement of Activities display information about the Town as a whole. The effect of most inter-fund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude any fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service or business-type activity. Program revenues include charges for services, fines, court cost, contributions associated with a particular function and most grants.

Fund Financial Statements
Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Separate financial statements are provided for governmental funds and proprietary funds. In addition, separate financial statements are presented for any fiduciary activities. Major individual funds are reported as separate columns in the fund financial statements. The Town's major funds are described as follows:

- Governmental Funds
  - General fund – The general fund is the primary operating fund and is used to account for all governmental activities.
  - Sales Tax fund – The Town receives 1.2 percent sales and use tax dedicated to the construction, improvement, and maintenance of public streets and bridges within the Town, as well as maintaining and operating sewers and sewerage disposal facilities of the Town.

- Proprietary Funds
  - Utility System – The utility fund is used to account for the operation of the Town's water, sewer, and natural gas system which are supported by user charges.

Business-Type funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with the funds ongoing operations. Principal operating revenues are charges to customers for natural gas, water and sewer service.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

Financial Statement Presentation	Basis of Accounting	Measurement Focus
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements:		
Governmental Funds	Modified Accrual Basis	Current Financial Resources
Proprietary Funds	Accrual Basis	Economic Resources

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

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

Non-Exchange Transactions

Revenue from certain non-exchange transactions cannot be properly measured prior to collection. Furthermore, it is not practical to determine the probability of collection resulting from certain non-exchange transactions such as traffic citations. Consequently, revenue from fines and court cost are not recognized until they are collected.

Use of Estimates

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

Restricted Assets

Restricted assets represent resources that must be expended in a specific manner. Restrictions of this nature are imposed by various contractual obligations including grant agreements and bond covenants. In situations where it is permissible to spend restricted resources, the Town typically depletes the available restricted resources before consuming unrestricted resources.

Budget Practices

The Mayor prepares an annual budget for the Town's general fund. This budget is submitted to the Board of Aldermen and an approved budget is adopted before the beginning of each fiscal year. Amended budgets are prepared prior to the conclusion of each fiscal year. The amended budgets are prepared and approved in the same manner as the original budget.

The general fund budget presents revenue and expenditures on a basis which is consistent with generally accepted accounting principles. No annual budget is required for the Town's Utility Fund.

Capital Assets

Capital assets are carried at historical cost or estimated historical cost including interest incurred during construction. Prior to July 1, 1989, there were few records supporting the cost; therefore, cost related to the

Town's utility system is estimated based on information furnished by the Town's consulting engineers. Cost of buildings and equipment acquired prior to July 1, 1989, were estimated based on replacement cost.

Infrastructure capital assets consisting of streets, bridges, sidewalks, and drainage systems acquired before July 1, 2003, are excluded from capital assets. Depreciation associated with capital assets is computed using the straight-line method over the estimated useful lives of the assets.

Cash and Cash Equivalents

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit, and highly liquid investments. Credit risk associated with bank deposits is limited by requiring fiscal agent banks to pledge securities as required by State Law. Furthermore, interest rate risk associated with certificates of deposits is typically mitigated by purchasing instruments that mature in one year or less.

Encumbrance Accounting

Purchase orders, contracts, and other commitments to engage in future expenditures are referred to as encumbrances. Since encumbrances do not represent liabilities or current expenditures, encumbrances are not reported in the accompanying financial statements.

Statement of Cash Flows

For the purposes of reporting cash flows, cash and cash equivalents includes all cash on hand, cash in bank, and certificates of deposit.

Interfund Transactions

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without expectation of repayment, the transaction is reported as a transfer. Transfers are treated as a source of income by the recipient and as an expense or expenditure by the provider. If repayment is eventually expected to occur, interfund receivables and payables are recorded.

In preparing the government-wide financial statements, transfers are eliminated to present net transfers for governmental activities and business-type activities. In addition, interfund receivables and payables are eliminated to present a net internal balance for each type of activity.

Fund Balance Classification

Approval of the majority of the Board of Aldermen is required to approve the commitment of fund balances. In situations where it is permissible to spend restricted or committed resources, the Town typically depletes the available restricted or committed resources before consuming unrestricted resources.

NOTE 2 - CASH AND CASH EQUIVALENTS

At September 30, 2025, cash and cash equivalents totaled $121,023 (book balance) and $145,395 (bank balance). Of this balance, $13,909 is restricted.

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

At September 30, 2025, the Town's bank deposits are secured from risk by $250,000 of federal deposit insurance.

NOTE 3 - RECEIVABLES

Receivables at September 30, 2025, consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Accounts Receivable			
Charges for Services	$ ----	$ 453,554	$ 453,554
Franchise Taxes	8,054	----	8,054
Occupational License	----	----	----
Other	4,238	22,548	26,786
Total Accounts Receivables	12,292	476,102	488,394
Due From Other Governmental Units			
Sales Taxes	17,272	----	17,272
Other	----	----	----
Total Due From Other Governmental Units	17,272	----	17,272
Total Receivables	29,564	476,102	505,666
Allowance for Doubtful Accounts	----	(411,394)	(411,394)
Net Receivables	$ 29,564	$ 64,708	$ 94,272

NOTE 4 – LONG –TERM LIABILITIES

Any debt attributable to the acquisition of the Town's utility system and the operation of the utility system is reported as an obligation of the Town's business-type enterprise funds. Remaining debts are reported as governmental activities. The Town's debts are summarized as follows:

	Governmental Activities	Business-Type Activities	Total
Long-Term Liabilities			
Revenue Bonds	$ 39,000	$ 980,592	$ 1,019,592
MPERS	15,686	----	15,686
Total Long-term Debt	54,686	980,592	1,035,278
Due Within One Year	9,660	21,708	31,368
Due in More Than One Year	$ 45,026	$ 958,884	$ 1,003,910

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities				
Revenue Bonds	$ 48,000	$ ----	$ 9,000	$ 39,000
MPERS	----	16,000	314	15,686
Total Governmental Activities	$ 48,000	$ 16,000	$ 9,314	$ 54,686

Business-Type Activities				
Revenue Bonds	999,698	----	19,106	980,592
Total Business-Type Activities	999,698	----	19,106	980,592
Total Long-Term Liabilities	1,047,698	$ 16,000	$ 28,420	1,035,278

Revenue Bonds

The Town issued revenue bonds that are secured by and payable solely from a pledge of funds generated by a specific revenue source. Revenue bonds outstanding at September 30, 2025 are described as follows:

Limited Tax Bonds, Series 2018, issued September 1, 2019, due in annual payments of $8,000 - $10,000 through September 1, 2029, interest at 3% due in semi-annual payments on March 1 and September 1.	$ 39,000
$1,198,000 Sewer Revenue Bonds dated March 11, due in monthly installments of $5,247 through March 28, 2051; interest at 4.25%, secured by system revenue and 1.2 percent sales and use tax.	$ 980,592
Total Revenue Bonds	$ 1,019,592

Other Long-Term Liabilities

The Town finalized a settlement with MPERS, other long-term liabilities outstanding at September 30, 2025 are described as follows:

$16,000 MPERS settlement, issued March 26, 2025 due in monthly installments of $141.59 through March 26, 2040; interest at 6.75%.	$ 15,686
Total Other Long-Term Liabilities	$ 15,686

Maturity of Long-term Debt

A schedule of maturities of long-term debt excluding compensated absences and capital leases is presented as follows:

	Governmental Activities		Business-Type Activities	
Year Ended Sept. 30th	Principal Installments	Interest	Principal Installments	Interest
2026	$ 9,660	$ 2,209	$ 21,708	$ 41,256
2027	10,706	1,893	22,649	40,315
2028	10,756	1,543	23,631	39,333
2029	10,808	1,191	24,655	38,309
2030	865	835	25,723	37,241
2031 – 2035	5,314	3,182	146,337	168,483
2036 – 2040	6,577	1,068	180,917	133,903
2041 – 2045	----	----	223,668	91,152
2046 – 2050	----	----	276,521	38,299
2051 – 2060	----	----	34,783	559
Total Government	$ 54,686	$ 11,921	$ 980,592	$ 628,850

NOTE 5 – AD VALOREM TAXES

The Town bills and collects its own property taxes using assessed values determined by the Tax Assessor of St. Landry Parish.

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to the taxpayers in late November or December.

Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

For the year ended September 30, 2025, the Town levied 6.18 mills of ad valorem taxes totaling $19,161 which were dedicated to the general corporate purposes of the Town.

NOTE 6 - FIXED ASSETS

Changes in the governmental and business-type capital assets are presented as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities				
Non-Depreciable Capital Assets				
Construction in Progress	$ ----	$ ----	$ ---	$ ----
Land	92,159	----	----	92,159
Total	92,159	----	----	92,159
Depreciable Capital Assets				
Buildings	704,742	----	----	704,742

	Beginning Balance	Additions	Disposals	Ending Balance
Improvements	115,878	----	----	115,878
Equipment	817,932	----	----	817,932
Accumulated Depreciation	(1,444,445)	(41,596)	----	(1,486,041)
Total	194,107	(41,596)	----	152,511
Total Governmental Activities	$ 286,266	$ (41,596)	$ ----	$ 244,670
Business-Type Activities				
Non-Depreciable Capital Assets				
Construction in Progress	$ ---	$ ----	$ ----	$ ---
Land	---	----	----	---
Total	---	----	----	---
Depreciable Capital Assets				
Gas Distribution System	1,388,462	----	----	1,388,462
Sewer System	4,481,625	11,897	----	4,493,522
Water Distribution System	1,619,141	----	----	1,619,141
Accumulated Depreciation	(5,356,871)	(135,571)	----	(5,492,442)
Total	2,132,357	(123,674)	----	2,008,683
Total Business-Type Activities	2,132,357	(123,674)	----	2,008,683

Depreciation expense reported by the various functions is presented as follows:

Governmental Activities	
General Government	$ 14,931
Public Safety	21,126
Streets and Drainage	5,539
Total Depreciation – Governmental Activities	$ 41,596
Business-Type Activities	
Utility System	$ 135,571
Total Depreciation – Business-Type Activities	$ 135,571

NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

The following is a summary of accounts payable and accrued expenses at September 30, 2025:

Governmental Activities	Payable to Vendors	Payroll Liabilities	Total
General Fund	$ 30,796	$ 91,005	$ 121,801
Non-Major Fund	----	----	----
Total Governmental	$ 30,796	$ 91,005	$ 121,801
Business-Type Activities			
Utility System	42,356	----	42,356
Sanitation System	----	----	----
Total Business-Type	42,356	----	42,356
Total Accounts Payable And Payroll Liabilities	$ 73,152	$ 91,005	$ 164,157

NOTE 8 - RISK MANAGEMENT

The Town of Melville 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. These risks of loss are covered by a comprehensive commercial insurance policy and participation in a public entity risk pool that operates as a common insurance program. Claims resulting from these risks have historically not exceeded insurance coverage.

NOTE 9- TRANSFERS

In the ordinary course of business, the Town routinely transfers resources between its funds in order to cover expenses as necessary. The transfers are presented as follows:

Governmental Activities	Transfers In	Transfers Out	Net Transfers
General Fund	$ 340,119	$ (66,714)	$ 273,405
Sales Tax	----	(143,192)	(143,192)
Total Transfers	$ 340,119	$ (209,906)	$ 130,213
Business-Type Activities			
Utility System	88,521	(218,734)	(130,213)
Total Transfers	88,521	(218,734)	(130,213)
Net Transfers	$ 428,640	$ (428,640)	$ ----

NOTE 10 – RESTRICTED RESOURCES

The Town's Net Position is subject to restrictions described as follows:

- Bond covenants require the Town to establish bank accounts which serve as debt service and depreciation reserves. Funds may be disbursed from these accounts only under specific circumstances described by the bond covenants
- Certain sales tax proceeds are available only for street maintenance and improvement, and the maintenance of sewerage facilities.

NOTE 11 – CONTINGENCIES

Existing conditions that may have financial consequences in the future are referred to as contingencies. Contingencies existing at September 30, 2025 are described as follows:

Litigation

Like most governmental units with extensive and diverse operations, the Town is occasionally named as a defendant in litigation. Based on consultation with the Town Attorney and insurance carrier, there are no anticipated claims that are expected to exceed available insurance coverage.

Grant Compliance

The Town receives state and federal assistance through various grant programs. Management is confident that all significant grant conditions have been met; however, grantor agencies routinely review grant activity and could request reimbursement if a dispute occurs regarding compliance with grant conditions.

NOTE 12– EMPHASIS-OF-MATTER

The Town has experienced significant operating losses over the past four fiscal years. In addition, the Town's aging utility system is experiencing operational difficulties and failures, which additionally threaten the Town's viability. The Town's utility system doesn't feature meters at most residences, and many sections of the utility system cannot be cut off individually, which has made utility theft rampant.

While the Town has been awarded a large federal grant to address many of these issues, construction will be a lengthy process, and the Town's financial position is rapidly deteriorating. On February 12, 2026, the date the financials were available to be issued, the Town's financial condition had continued to decline. The Town's plans to alleviate this situation include the completion of the utility project, to put an additional sales tax on the ballot, an additional property tax, and to further reduce departmental expenses.

Town of Melville

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual

Year Ended September 30, 2025

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes				
Ad Valorem	$ 8,500	$ 8,500	$ 19,161	$ 10,661
Sales Taxes	$ -	$ -	-	-
License and Permits	$ -	$ -		
Occupational Licenses	$ 19,000	$ 19,000	33,399	14,399
Franchise Fees	$ 35,000	$ 35,000	107,008	72,008
Fines and Fees	$ 3,750	$ 3,750	5,100	1,350
Rent	$ 13,000	$ 13,000	-	(13,000)
Intergovernmental	$ -	$ -		
Beer Taxes	$ 500	$ 500	-	(500)
Payment in Lieu of Taxes	$ 1,965	$ 1,965	4,321	2,356
Other Intergovernmental	$ 125,854	$ 125,854	71,460	(54,394)
Other	$ 20,050	$ 20,050	33,355	13,305
Interest	$ 50	$ 50	-	(50)
Total Revenues	227,669	227,669	273,804	46,135
Expenses:				
General Government	224,495	224,495	349,437	(124,942)
Public Safety	109,000	109,000	192,143	(83,143)
Streets and Drainage	12,071	12,071	3,625	8,446
Recreation	-	-	-	-
Debt Service	-	-	10,440	(10,440)
Capital Outlay	-	-	-	-
Total Expenses	345,566	345,566	555,645	(210,079)
Excess (Deficiency) of Revenues Over Expenditures	(117,897)	(117,897)	(281,841)	(163,944)
Other Financing Sources (Uses):				
Operating Transfers In	225,500	225,500	340,119	114,619
Operating Transfers Out	(66,250)	(66,250)	(66,714)	(464)
Total Other Financing Sources (Uses)	159,250	159,250	273,405	114,155
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	41,353	41,353	(8,436)	(49,789)
Fund Balance - Beginning of Year, As Restated	(41,353)	(41,353)	(50,917)	(9,564)
Fund Balance - End of Year	$ -	$ -	$ (59,353)	$ (59,353)

Town of Melville

Sales Tax Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2025

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes				
Sales Taxes	74,000	74,000	165,646	91,646
Other	-	-	141	141
Interest	25	25	-	(25)
Total Revenues	74,025	74,025	165,787	91,762
Expenses:				
General Government	-	-	166	(166)
Streets and Drainage	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenses	-	-	166	(166)
Excess (Deficiency) of Revenues Over Expenditures	74,025	74,025	165,621	91,596
Other Financing Sources (Uses):				
Operating Transfers	(92,362)	(92,362)	(143,192)	(50,830)
	-	-	-	-
Total Other Financing Sources (Uses)	(92,362)	(92,362)	(143,192)	(50,830)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(18,337)	(18,337)	22,429	40,766
Fund Balance - Beginning of Year	35,837	35,837	30,781	(5,056)
Fund Balance - End of Year	$ 17,500	$ 17,500	$ 53,210	$ 35,710

TOWN OF MELVILLE

Schedule of Compensation Paid to Board Members
Year Ended September 30, 2025

Caretta Robertson	$	16,800
April Butler		1,250
Peter Circello		1,250
Linda Haynes		1,250
Natasha Oliney		1,250
Tieuel Theardis		1,250
Total Compensation	$	23,050

TOWN OF MELVILLE

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer
Year Ended September 30, 2025

Agency Head (Mayor)

Purpose:	**Caretta Robertson**
Compensation	16,800
Auto Allowance	400
Payroll Taxes	1,285
Reimbursements	-

Town of Melville

Justice System Funding Schedule - Collecting / Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session -
Cash Basis Presentation
For the Year Ended September 30, 2025

	First Six Month Period Ended March 31, 2025	Second Six Month Period Ended September 30, 2025
Beginning Balance of Amounts Collected	$ -	$ -
Add: Collections		
Criminal Criminal/Costs/Fees	3,313	1,788
Subtotal Collections	3,313	1,788
Less: Disbursements to Governments & Nonprofits		
St. Landry Crime Stoppers	-	-
Dept. of Health and Hospitals - Head Injury Fund	-	-
Louisiana Commission on Law Enforcement - Court Cost	-	-
Louisiana Supreme Court Assessment	-	-
State of Louisiana - CMIS Assessment	-	-
Less: Amounts Retained by the Town of Melville		
Self Disbursed Court Cost	3,313	1,788
Subtotal Disbursements / Retainage	3,313	1,788
Ending Balance of Amounts Collected but not Disbursed	$ -	$ -

Part I - Summary of Auditor's Results:

- The Independent Auditor's Report on the general-purpose financial statements for the Town of Melville, Louisiana, as of September 30, 2025, and for the year then ended expressed a qualified opinion.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
Business-Type Activities	Qualified
General Fund	Unmodified
Sales Tax Fund	Unmodified
Utility Fund	Qualified
Aggregate Remaining Fund Information	Unmodified

- The audit disclosed one finding (2025-006) which is considered to be a material weakness in internal control over financial reporting.
- The audit disclosed seven findings (2025-001 through 2025-005, 2025-007, 2025-008) related to noncompliance required to be reported.
- The Town was not required to have a Single Audit; therefore, none of the reporting requirements of OMB Circular A-133 was required.

Part II - Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

Finding 2025-001 –Payroll Tax Reporting

- *Criteria*: The Town should file and pay payroll taxes as required by federal and state laws.
- *Condition*: The Town did not pay all required payroll taxes to the Internal Revenue Service and Louisiana Department of Revenue.
- *Cause*: The previous administration's accounting practices led to a lapse in the prompt payment of liabilities.
- *Effect*: Substantial penalties can result from the Town not properly filing or paying required tax liabilities. In addition, the Town may be in violation of state and federal law.
- *Recommendation*: We recommend that the Town review any correspondence received from taxing authorities, pay any amounts owed, and file any unfiled reports.

Finding 2025-002 –Accounting for Meter Deposits

- *Criteria*: The Town should maintain adequate records to reconcile the underlying meter deposit liability to the individual account balances.
- *Condition*: The Town did not maintain sufficient records to be able to reconcile the underlying meter deposit liability to the individual account balances.
- *Cause*: The meter deposit balances have not been properly reconciled to the underlying accounting records.
- *Effect*: As the account is custodial in nature, the Town should be able to identify the individuals owed in order to properly apply the meter deposit to any outstanding amounts.

- *Recommendation*: We recommend that accounting personnel periodically review the list of meter deposits outstanding and reconcile the list to the Town's accounting records.

Finding 2025-003 –Uniform Cutoff Policy

- *Criteria*: The Louisiana Constitution forbids municipalities from giving away anything of value without adequate compensation.
- *Condition*: The Town is not enforcing a uniform cutoff policy for nonpayment of utilities, and has a large number of substantial past due accounts, including some of the Town's elected officials.
- *Cause*: The Town does not have the ability to cutoff utility customers, due to a lack of water meters and infrastructure throughout the Town's water distribution system.
- *Effect*: The Town may be in violation of Louisiana Revised Statutes.
- *Recommendation*: We recommend that the Town enforce a uniform cutoff policy. In cases where infrastructure doesn't exist to cutoff off customers, efforts must be made to install the required infrastructure to enable a uniform cutoff policy.

Finding 2025-004 –Debt Covenants

- *Criteria*: The Town is subjected to several debt covenants, in accordance with its debt held by the USDA.
- *Condition*: The Town did not comply with its debt covenants by failing to transfer monies to a separate sinking fund account.
- *Cause*: The current administration was not aware of all debt covenant requirements.
- *Effect*: The Town was not in compliance with its debt covenants at the end of the year.
- *Recommendation*: We recommend that the Town establish a tickler system, to ensure that all monthly transfers and payments are performed in the future.

Finding 2025-005 –Collections on Behalf of Other Entities

- *Criteria*: The Town is required to remit certain fines, fees, and court costs to various entities monthly based on ticket collections.
- *Condition*: The Town is not properly remitting these amounts.
- *Cause*: The previous Town Clerk was unaware of all amounts that should be remitted by statute.
- *Effect*: The Town may be in violation of Revised Statutes by not remitting these amounts.
- *Recommendation*: We recommend that the new clerk should receive training to remit required fines, fees, and court costs to all required entities.

Finding 2025-006 – Utility Billing Practices

- *Criteria*: The Louisiana Constitution forbids giving away a thing of value. In addition, municipalities that provide utilities should maintain sufficient records to track amounts owed to the municipality, with subsidiary ledgers that agree to the general ledger.
- *Condition*: In the current year, the Town was unable to produce accounts receivable subsidiary ledgers that accurately reflected amounts owed to the Town, or which agreed to the general ledger, causing the Town's auditor to issue a qualified audit opinion.
- *Cause*: The Town's inadequate utility billing software caused the Town's inability to accurately track utility receivables.

- *Effect*: The Town may not be receiving all monies owed by customers of the system, and will not be accurately able to record utility revenues and related items.
- *Recommendation*: We recommend that the Town's current administration begin to search for alternative utility billing systems, or make significant efforts to reconcile records within the current system.

Finding 2025-007 – Written Minutes

- *Criteria*: Louisiana Revised Statute 42:20 requires all public bodies to hold monthly meetings and keep written minutes of all of their open meetings, and provides for the content of such minutes.
- *Condition*: The Town did not meet every month and was unable to produce minutes of meetings for a substantial portion of the year.
- *Cause*: The Town did not meet monthly and maintain the minutes in the fashion required by Louisiana Revised Statues.
- *Effect*: The Town may have been in violation of Louisiana Revised Statutes regarding the monthly meetings and maintenance of minutes.
- *Recommendation*: We recommend that the Town holds meetings on a monthly basis, keep written minutes be kept of all open minutes, and maintain a minute book as required by Louisiana Revised Statutes.

Finding 2025-008 – Local Government Budget Act

- *Criteria*: The Local Government Budget Act prohibits unfavorable budget variances from exceeding 5%.
- *Condition*: In the current year, unfavorable variances exceeded 5%.
- *Cause*: An appropriate amendment was not made to the budget once the Town of Melville realized that unfavorable variances exceeded 5% of budget amounts.
- *Effect*: The Town was not in compliance with Louisiana Audit Law
- *Recommendation*: We recommend that the Town implement policies and procedures to ensure that the budget is amended whenever variances exceed amounts allowable by the Local Government Budget Act.

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
Finding 2025-001 Payroll Tax Reporting The Town did not pay all required payroll taxes to the Internal Revenue Service and Louisiana Department of Revenue.	**Response:** While this obligation predated the current administration, we have resolved our outstanding bill with the state, and continue efforts to form an installment agreement with the Internal Revenue Service.
Finding 2025-002 Accounting for Meter Deposits The Town did not maintain sufficient records to be able to reconcile the underlying meter deposit liability to the individual account balances.	**Response:** While this situation predated the current administration, we will continue our efforts to reconcile the meter deposit liability to the underlying accounts
Finding 2025-003 Uniform Cutoff Policy The Town is not enforcing a uniform cutoff policy for nonpayment of utilities, and has a large number of substantial past due accounts, including some of the Town's elected officials.	**Response:** We have been awarded a substantial grant to address this issue, and we anticipate that this matter will be resolved by the end of the next fiscal year.
Finding 2025-004 Debt Covenants The Town did not comply with its debt covenants by failing to transfer monies to a separate sinking fund account.	**Response:** We will institute a tickler system that will ensure that we transfer all required amounts to debt service funds on a monthly basis.
Finding 2025-005 Collections on Behalf of Other During audit procedures, it was determined that the Town has not remitted all fees, fines, and court costs collected on behalf of other entities to the required entities.	**Response:** We will find appropriate training for our accounting personnel, and ensure that in the future all required payments are remitted.
Finding 2025-006 Utility Billing Practices In the current year, the Town was unable to produce accounts receivable subsidiary ledgers that accurately reflected amounts owed to the Town, or which agreed to the general ledger, causing the Town's auditor to issue a qualified audit opinion.	**Response:** In the future, we will begin to search for alternative system, and begin efforts to reconcile accounts receivable subsidiary ledgers to the general ledger.
Finding 2025-007 - Written Minutes The Town did not meet every month and was unable to produce minutes of meetings for a substantial portion of the year.	**Response:** The Town did not meet every month and maintain a minute book as required. We have begun to hold monthly meetings, and maintain a minute book diligently, and will be able to produce all required minutes in the future.
Finding 2025-008 Local Government Budget Act In the current year, unfavorable budget variances were greater than the amount allowed by the Local Government Budget Act	**Response:** In the future, we will monitor our budget more closely, to ensure budgetary compliance.
SECTION II MANAGEMENT LETTER	
Findings – No Such Findings of this Nature	**No Response Necessary**

SECTION I **INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS**	
Finding 2024-001 Payroll Tax Reporting The Town did not pay all required payroll taxes to the Internal Revenue Service and Louisiana Department of Revenue.	**Status: Unresolved, See Finding 2025-001**
Finding 2024-002 Accounting for Meter Deposits The Town did not maintain sufficient records to be able to reconcile the underlying meter deposit liability to the individual account balances.	**Status: Unresolved, See Finding 2025-002**
Finding 2024-003 Uniform Cutoff Policy The Town is not enforcing a uniform cutoff policy for nonpayment of utilities, and has a large number of substantial past due accounts, including some of the Town's elected officials.	**Status: Unresolved, See Finding 2025-003**
Finding 2024-004 Debt Covenants The Town did not comply with its debt covenants by failing to transfer monies to a separate sinking fund account, and by not filing its audit report in the time frame required by the Louisiana audit law.	**Status: Unresolved, See Finding 2025-004**
Finding 2024-005 Salaries Set by Ordinance The Town paid salaries to elected officials in the current year, but was unable to produce the ordinance establishing the rate at which elected officials were to be renumerated.	**Status: Resolved**
Finding 2024-006 Collections on Behalf of Other During audit procedures, it was determined that the Town has not remitted all fees, fines, and court costs collected on behalf of other entities to the required entities.	**Status: Unresolved, See Finding 2025-005**
Finding 2024-07 Utility Billing Practices In the current year, the Town's previous administration had several intervals where utility services were not billed consistently, and did not send customer utility bills for an extended period of time at the end of the year.	**Partially Resolved, See Finding 2025-006**

SECTION II **MANAGEMENT LETTER**	
Findings – No Such Findings of this Nature	**No Response Necessary**

APPENDIX A
Statewide Agreed-Upon Procedures

Rozier McKay & Willis CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the Town of Melville and
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Town of Melville (the Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2024 through September 30, 2025. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

We were engaged 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 entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Rozier, McKay & Willis

Rozier, McKay & Willis
Certified Public Accountants
Alexandria, Louisiana
February 12, 2026

Written Policies and Procedures		
Agreed-Upon Procedure	**Results**	**Managements' Response**
1 Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories. • Budgeting • Purchasing • Disbursements • Receipts • Payroll/Personnel • Contracting • Credit Cards • Travel and expense reimbursements • Ethics • Debt Service • Disaster Recovery / Business Continuity • Sexual Harassment	The Entity lacks written policies and procedures in the following categories: • Purchasing • Receipts • Contracting • Credit Cards • Ethics • Debt Service • Disaster Recovery / Business Continuity • Sexual Harassment	***We will continue to work on our comprehensive written procedure policy, which is in progress.***

Board (or Finance Committee)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
2 Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:		
a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.	The Entity's board did not meet with a quorum at least monthly.	***We will make efforts to ensure a quorum is present at monthly meetings.***
b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-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.*	The minutes that were available references or included monthly budget-to-actual comparisons on the general fund, and monthly financial information.	***The results did not include findings or criticism.***
c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal	None of the minutes demonstrated a formal plan to eliminate the negative unrestricted fund balance in the general fund.	***We will make efforts to reference and include a formal plan to eliminate the negative unrestricted fund balance in the General Fund.***

Board (or Finance Committee)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.		
d) 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.	The board did not receive written updates concerning the progress of resolving audit finding(s).	***We will make efforts to provide the Board with these reports in the future.***

Bank Reconciliations		
Agreed-Upon Procedure	**Results**	**Managements' Response**
3 Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:		
a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);	Reconciliations were prepared within the required period of time.	***The results did not include findings or criticism.***
b) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and	The bank reconciliations are reviewed by a board member. However, there was no written evidence.	***We will make efforts to ensure the bank reconciliations are reviewed by a board member, and written evidence is provided.***
c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.	The Town voids checks that have been outstanding for more than 90 days.	***The results did not include findings or criticism.***

Collections (excluding EFTs)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
4 Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).	A list of deposit sites and collection locations has been furnished and management represented that the list is complete.	***The results did not include findings or criticism.***
5 For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:		
a) Employees that are responsible for cash collections do not share cash drawers/registers.	Employees do not share a cash drawer.	***The results did not include findings or criticism***

Collections (excluding EFTs)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.	Upon occasion, the employee responsible for collecting cash is responsible for making bank deposits.	***Due to the limited size of the staff, opportunities for segregation are limited.***
c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.	A third-party CPA is responsible for posting collection entries to the general ledger	***The results did not include findings or criticisms.***
d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.	Upon occasion, the employee reconciling cash collections to the General Ledger will collect cash.	***Due to the limited size of the staff, opportunities for segregation are limited.***
6 Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.	The administrative staff is covered by a bond policy that protects against theft	***The results did not include findings or criticisms.***
7 Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day) . Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as		

Collections (excluding EFTs)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:		
a. Observe that receipts are sequentially pre-numbered.	Receipts were sequentially prenumbered.	***The results did not include findings or criticisms.***
b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.	Collection documentation agreed to the deposit slip.	***The results did not include findings or criticisms.***
c. Trace the deposit slip total to the actual deposit per the bank statement.	The deposit slip total agreed to the actual deposit per the bank statement.	***The results did not include findings or criticisms.***
d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100).	Deposits were made within one business day of receipt	***The results did not include findings or criticisms.***
e. Trace the actual deposit per the bank statement to the general ledger.	The actual deposit per the bank statement agreed to the general ledger.	***The results did not include findings or criticisms.***

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
8 Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).	Management provided a listing of locations and represented its completeness.	***The results did not include findings or criticisms.***
9 For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:		
a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.	Purchases require involvement from multiple parties.	***The results did not include findings or criticisms.***
b) At least two employees are involved in processing and approving payments to vendors.	Processing and approval involve multiple parties.	***The results did not include findings or criticisms.***
c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.	A third-party CPA is responsible for adding vendor files.	***The results did not include findings or criticisms.***
d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail	Upon occasion, the employee who mails the check is responsible for processing payments.	***Due to the limited size of the staff, opportunities for segregation are limited.***

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
who is not responsible for processing payments.		
10 For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:		
a. Observe that the disbursement matched the related original invoice/billing statement.	Disbursements are supported by invoices.	***The results did not include findings or criticisms.***
b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.	Disbursement documentation included evidence of segregation of duties.	***The results did not include findings or criticisms.***
11 Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main	Electronic disbursements were not approved by the required number of authorized signers.	***We will work to ensure that all the electronic disbursements are approved by the required number of authorized signers.***

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.		

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	**Results**	**Managements' Response**
12 Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.	Management provided a listing of all active credit cards and represented that the listing was complete.	***The results did not include findings or criticisms.***
13 Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:		
a. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.	All purchases were reviewed and approved in writing by someone other than the authorized card holder.	***The results did not include findings or criticisms.***
b. Observe that finance charges and late fees were not assessed on the selected statements.	No finance charges or late fees were assessed.	***The results did not include findings or criticisms.***

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	**Results**	**Managements' Response**
14 Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).	Of the transactions selected for testing one was missing an itemized receipt. Based on the documentation provided, none of the selected transactions included charges for meals.	***We will work to ensure that all credit card transactions are supported by an itemized receipt and business purpose in the future.***

Travel and Expense Reimbursement		
Agreed-Upon Procedure	**Results**	**Managements' Response**
15 Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:		
a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).	Each reimbursement was either a reimbursement of actual costs or was a reimbursement utilizing rates established by the GSA.	***The results did not include findings or criticisms.***
b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.	All transactions had the proper supporting documentation.	***The results did not include findings or criticisms.***
c. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).	All transactions had the proper supporting documentation.	***The results did not include findings or criticisms.***
d. Observe that each reimbursement was reviewed and approved, in writing, by	All transactions had the proper number of signatures.	***The results did not include findings or criticisms.***

Travel and Expense Reimbursement		
Agreed-Upon Procedure	**Results**	**Managements' Response**
someone other than the person receiving reimbursement.		

Contracts		
Agreed-Upon Procedure	**Results**	**Managements' Response**
16 Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:		
a. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.	None of the selected contracts were subject to public bid laws.	***The results did not include findings or criticisms.***
b. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).	All of the selected contracts were approved by the governing board.	***The results did not include findings or criticisms.***
c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.	None of the selected contracts were amended in this fiscal year.	***The results did not include findings or criticisms.***
d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.	All of the selected transactions agree to the terms and conditions written in the contract.	***The results did not include findings or criticisms.***

Payroll and Personnel		
Agreed-Upon Procedure	**Results**	**Managements' Response**
17 Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.	The Entity provided a listing of employees, related salaries, and personnel files, and provided representations as to their completeness.	***The results did not include findings or criticisms.***
18 Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:		
a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).	All selected employees documented their daily attendance and leave.	***The results did not include findings or criticisms.***
b. Observe that supervisors approved the attendance and leave of the selected employees/officials.	Supervisor's approval of attendance and leave was documented.	***The results did not include findings or criticisms.***
c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.	The Entity's cumulative pay records reflected the leave accrued or taken by the selected employees.	***The results did not include findings or criticisms.***
19 Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination	Management provided the listing and represented that it was complete. The selected employees who received termination payments were paid only for their accumulated leave, at their approved rates of pay.	***The results did not include findings or criticisms.***

Payroll and Personnel			
	Agreed-Upon Procedure	**Results**	**Managements' Response**
	payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.		
20	Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.	All payroll taxes were paid by required deadlines.	***The results did not include findings or criticisms.***

Ethics		
Agreed-Upon Procedure	**Results**	**Managements' Response**
21 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:		
a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.	Documentation demonstrating each employee completed one hour of ethics training was available for all but one employee.	***We will work to ensure all employees complete one hour of ethics training during the fiscal year.***
b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.	Documentation demonstrating each employee has read the entity's ethics policy was available for all but one employee.	***We will work to ensure all employees read the entity's ethics policy during the fiscal period.***
22 Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.	The City has not appointed an ethics designee	***We will work to ensure we appoint an ethics designee in the future.***

Debt Service			
	Agreed-Upon Procedure	**Results**	**Managements' Response**
23	Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.	The town did not issue any new bonds in the current year.	***The results did not include findings or criticisms.***
25	Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.	The Town was not in compliance with its debt covenants.	***We will work to ensure we are in compliance with our debt covenants.***

Fraud Notice			
	Agreed-Upon Procedure	**Results**	**Managements' Response**
23	Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.	No misappropriations were reported.	***The results did not include findings or criticisms.***
26	Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.	There was no evidence of the notice on the website.	***We will work to ensure that we post the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds in the future.***

Information Technology Disaster Recovery /Business Continuity			
	Agreed-Upon Procedure	**Results**	**Managements' Response**
27	Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**	We performed the procedure and discussed the results with management	***The results did not include findings or criticisms.***
a.	Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.	We performed the procedure and discussed the results with management	***The results did not include findings or criticisms.***
b.	Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.	We performed the procedure and discussed the results with management	***The results did not include findings or criticisms.***
c.	Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.	We performed the procedure and discussed the results with management	***The results did not include findings or criticisms.***
28	Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in	We performed the procedure and discussed the results with management	***The results did not include findings or criticisms.***

Information Technology Disaster Recovery /Business Continuity		
Agreed-Upon Procedure	**Results**	**Managements' Response**
procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.		
29 Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267[1]. The requirements are as follows: 1. Hired before June 9, 2020 - completed the training; and 2. Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.	Employees selected did not present evidence of completing cybersecurity training in the current year.	***We will work to ensure that all employees complete the cybersecurity training in the future.***

[1] While it appears to be a good practice for charter schools to ensure its employees are trained to keep their information technology assets safe from cyberattack, charter schools do not appear required to comply with 42:1267. An individual charter school, though, through specific provisions of its charter, may mandate that all employees/officials receive cybersecurity training.

Sexual Harassment			
	Agreed-Upon Procedure	**Results**	**Managements' Response**
30	Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.	Documentation demonstrating each employee completed at least one hour of sexual harassment training was not available for 3 of the employees selected.	***We will work to ensure that all employees complete the sexual harassment training in the future.***
31	Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).	No evidence was available.	***We will work to ensure that we post our sexual harassment policy on our website in the future.***
32	Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344: a. Number and percentage of public servants in the agency who have completed the training requirements; b. Number of sexual harassment complaints received by the agency; c. Number of complaints which resulted in a finding that sexual harassment occurred; d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and e. Amount of time it took to resolve each complaint.	The Entity did not have any annual report available for inspection.	***We will work to ensure we have an annual sexual harassment report in the future.***