TOWN OF KENTWOOD

ANNUAL FINANCIAL STATEMENTS

DECEMBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Irma Gordon
And Members of the Board (Town Council)
Kentwood, LA 70444

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Kentwood, Louisiana, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Town of Kentwood, Louisiana's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Kentwood, Louisiana, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards.* 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 Kentwood, Louisiana, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Kentwood, Louisiana'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 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 Kentwood, Louisiana'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 Kentwood, Louisiana's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Kentwood, Louisiana's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Kentwood, Louisiana's basic financial statements. The accompanying schedules of utility rates, schedule of number of sewer, water, and gas customers, schedule of insurance, schedule of compensation paid to board members, schedule of compensation, benefits, and other payments to agency head, and justice funding schedule-collecting/disbursing entity are presented for purposes of additional analysis and are not a required part of the basis financial statements.

The schedule of utility rates, schedule of number of sewer, water, and gas customers, schedule of insurance, schedule of compensation paid to board members, schedule of compensation, benefits, and other payments to agency head, and justice funding schedule-collecting/disbursing entity were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of utility rates, schedule of number of sewer, water, and gas customers, schedule of insurance, schedule of compensation paid to board members, schedule of compensation, benefits, and other payments to agency head, and justice funding schedule-collecting/disbursing entity are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2026 on our consideration of the Town of Kentwood, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Kentwood, Louisiana's internal control over financial reporting and compliance.

Minda Raybourn

Minda Raybourn CPA
Franklinton, LA 70438
July 27, 2026

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

TOWN OF KENTWOOD

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

Introduction

The Town of Kentwood (the Town) is pleased to present its Financial Statements for the year ended December 31, 2025 developed in compliance with Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments (GASB 34), as amended, and with current standards as more fully described in Note 1 – Summary of Significant Accounting Policies.

The Town's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Town's financial activity, (c) identify changes in the Town's financial position, (d) identify any significant variations from the Town's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Town's financial statements beginning immediately following this Management's Discussion and Analysis.

Financial Highlights

- At December 31, 2025, the Town's assets exceeded its liabilities by $11,929,503 (net position). Of this amount, $4,328,186 (unrestricted net position) may be used to meet the Town's ongoing obligations to its citizens.

- For the year ended December 31, 2025, the Town's total net position increased by $100,544.

- At December 31, 2025, the Town's governmental funds reported combined ending fund balances of $3,576,232, a decrease of $1,010,934 for the year. Of this amount, $2,233,852 or 62% is available for spending at the Town's discretion (unassigned fund balances).

- At December 31, 2025, the Town's proprietary funds reported combined ending net position of $6,925,670, an increase of $671,239 for the year. Of this amount, $245,614 or 4% is available for spending at the Town's discretion (unrestricted net position).

Overview of the Annual Financial Report

The financial statement focus is on both the Town as a whole and on the major individual funds. Both perspectives, government-wide and major funds, allow the user to address relevant questions, broaden a basis for comparison, and enhance the Town's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The MD&A is intended to serve as an introduction to the Town's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business. Governmental activities, which normally are supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for support are presented in separate columns along with a total column for the primary government. If the Town determines that presentation of a component unit (which are other governmental units for which the Town can exercise significant influences or for which the Primary Government financial statements would be misleading if component unit information is not presented) is necessary to allow the reader to determine the relationship of the component unit and primary government, the component unit information is presented in a separate column of the financial statements or in a separate footnote. For the current fiscal year, the Town of Kentwood has no component units.

The Statement of Net Position presents information on the Town's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net position. Over time, the increases or decreases in net position and changes in the components of net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, both governmental and business-type, that are supported by the Town's general tax and other revenues. This is intended to summarize and simplify the reader's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

In both of the government-wide financial statements, the Town's activities are divided into two types:

Governmental activities - Most of the Town's basic services are reported here, including general government, public safety, streets and sanitation, health and welfare, and culture and recreation. These activities are financed primarily by property taxes, franchise taxes, sales taxes, fire insurance rebates, and fines.

Business-type activities - The Town charges a fee to customers to help it cover all of the cost of the services provided. The Town's water, natural gas, and sewer utility systems are reported in this section.

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Town uses two categories of funds to account for financial transactions: governmental funds and proprietary funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

Governmental funds are used to account for most of the Town's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs.

Proprietary funds primarily account for water, natural gas, and sewer utility services provided by the Town to its customers. Proprietary funds statements provide the same type of information as the government-wide financial statements, but the fund presentation provides more detail.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Town's more immediate decisions on the current use of financial resources. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Town's net position for the current year as compared to the prior year. For more detailed information, see the Statement of Net Position in this report.

Net Position
2025 and 2024

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and Other Assets	$ 3,784,134	$ 5,007,836	$ 4,061,807	$ 3,885,677	$ 7,845,941	$ 8,893,513
Capital Assets	2,911,942	2,656,913	8,263,756	7,608,258	11,175,698	10,265,171
Total Assets	6,696,076	7,664,749	12,325,563	11,493,935	19,021,639	19,158,684
Deferred Outflows of Resources						
Pension Related	245,724	339,152	9,777	16,540	255,501	355,692
Total Deferred Outflows of Resources	245,724	339,152	9,777	16,540	255,501	355,692
Liabilities:						
Long-Term Liabilities	1,384,599	1,740,501	1,683,173	1,875,531	3,067,772	3,616,032
Other Liabilities	313,851	540,262	2,143,168	1,649,744	2,457,019	2,190,006
Total Liabilities	1,698,450	2,280,763	3,826,341	3,525,275	5,524,791	5,806,038
Deferred Inflows of Resources						
Pension Related	239,517	148,610	20,363	24,631	259,880	173,241
Lease Related	-	-	1,562,966	1,706,138	1,562,966	1,706,138
Total Deferred Inflows of Resources	239,517	148,610	1,583,329	1,730,769	1,822,846	1,879,379
Net Position:						
Net Investment in Capital Assets	2,138,907	1,805,150	6,647,825	5,141,972	8,786,732	6,947,122
Restricted	558,824	529,515	32,231	24,136	591,055	553,651
Unrestricted	2,306,102	3,239,863	245,614	1,088,323	2,551,716	4,328,186
Total Net Position	$ 5,003,833	$ 5,574,528	$ 6,925,670	$ 6,254,431	$ 11,929,503	$ 11,828,959

Approximately 74% of the Town's net position reflects its investment in capital assets (land, buildings, equipment, infrastructure, and improvements) net of any outstanding related debt used to acquire those capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Approximately 5% of the Town's net position represents resources that are subject to external restriction on how they may be used. The Town's restricted net position consists of cash reserves required by revenue bond agreements and cash for customer deposits net of corresponding liabilities.

Approximately 21% of the Town's net position is unrestricted and may be used to meet the Town's ongoing obligations to its citizens.

At the end of the current fiscal year, the Town was able to report positive balances in all three categories of net position, both for the Town as a whole, as well as for separate governmental activities and business-type activities. The prior fiscal year also reported positive balances for the Town as a whole, as well as for separate governmental activities and business-type activities.

During the year ending December 31, 2022, the Town adopted GASB Statement No 87, Leases for its lease of nursing home property. The result of the implementation was recognition of a lease receivable in the utility fund and business-type activities along with a deferred inflow of resources at the initial value of the lease receivable (plus the amount of any payments received at or before the commencement of the lease term that relate to future periods). The lease receivable was measured at the present value of the lease payments expected to be received during the lease term (less any provision for estimated uncollectible amounts). Under GASB No 87, the Town recognizes the deferred inflow of resources as inflows of resources (i.e., revenue) over the term of the lease. The lease receivable at year-end December 31, 2025 is $1,685,922 and deferred inflow of resources is $1,562,966.

During the year ending December 31, 2023, the Town adopted GASB Statement No 96, Subscription-Based Information Technology Arrangements (SBITAs). There result of implementation was the addition of SBITA greater than 12 months recorded as a right-of-use asset, a subscription asset, categorized as a capital asset, along with a subscription payable in the governmental activities. The subscription liability is measured at the present value of payments expected to be made during the subscription term. The subscription asset is measured at the initial measurement of the lease liability, plus any payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term and capitalizable initial implementation costs, less any SBITA vendor incentives. The subscription asset is amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets. The Town uses the straight-line method for amortizing subscription assets. See further info on SBITAs in the Capital Assets and Debt Administration section of MD&A.

In order to further understand what makes up the changes in net position, the following table provides a summary of the results of the Town's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table.

Changes in Net Position
For the years ended December 31, 2025 and 2024

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for Services	$ 434,160	$ 387,491	$ 2,611,797	$ 2,671,792	$ 3,045,957	$ 3,059,283
Operating Grants and Contributions	52,614	128,904	4,894	15,573	57,508	144,477
Capital Grants and Contributions	304,233	3,300	858,385	581,962	1,162,618	585,262
General Revenues:						
Taxes	1,859,716	1,735,160	-	-	1,859,716	1,735,160
Tang Fire Dist 2 Allocation	-	790,601	-	-	-	790,601
Unrealized Gain (Loss)	-	-	-	-	-	-
Interest Income	45,001	164,485	104,055	74,897	149,056	239,382
Donations	1,236	-	-	-	1,236	-
Miscellaneous	28,735	27,658	-	-	28,735	27,658
On Behalf Payments	64,800	82,180	-	-	64,800	82,180
Insurance Settlement	-	590	-	-	-	590
Other Nonoperating Revenue	-	-	71,201	-	71,201	-
Gain (Loss) on Sale of Assets	(1,912)	875	-	10,000	(1,912)	10,875
Total Revenues	2,788,583	3,321,244	3,650,332	3,354,224	6,438,915	6,675,468
Expenses:						
General Government	1,116,826	1,123,421	-	-	1,116,826	1,123,421
Public Safety - Police Protection	1,032,109	1,080,844	-	-	1,032,109	1,080,844
Public Safety - Fire Protection	244,360	785,000	-	-	244,360	785,000
Public Works - Streets and Sanitation	690,762	679,484	-	-	690,762	679,484
Health and Welfare	6,594	6,594	-	-	6,594	6,594
Recreation	94,670	80,103	-	-	94,670	80,103
Economic Development	19,461	15,301	-	-	19,461	15,301
Interest on Long Term Debt	29,837	33,500	-	-	29,837	33,500
Lease and Subscription Interest	311	439	-	-	311	439
Water, Gas, and Sewer Utility	-	-	1,598,772	1,602,762	1,598,772	1,602,762
Nursing Home Property	-	-	77,628	90,474	77,628	90,474
Housing Assistance	-	-	-	268,569	-	268,569
Total Expenses	3,234,930	3,804,686	1,676,400	1,961,805	4,911,330	5,766,491
Change in Net Position Before Transfers and Contributions	(446,347)	(483,442)	1,973,932	1,392,419	1,527,585	908,977
Transfers (Out) In	(124,348)	1,054,824	(1,302,693)	(1,096,295)	(1,427,041)	(41,471)
Change in Net Position	(570,695)	571,382	671,239	296,124	100,544	867,506
Net Position, Beginning	5,574,528	5,003,146	6,254,431	5,958,307	11,828,959	10,961,453
Net Position, Ending	$ 5,003,833	$ 5,574,528	$ 6,925,670	$ 6,254,431	$ 11,929,503	$ 11,828,959

Governmental Activities

The Town's governmental net position decreased by $570,695 or 10% of the prior year ending net position of $5,574,528. The Town's change in governmental net position decreased $1,142,077 from the prior year change in governmental net position of $571,382.

Revenue decreased $532,661 or 16% primarily related to a decrease in fire revenues related to the transfer of operations and reporting of the Volunteer Fire Department Fund to the Tangipahoa Parish Fire District No. 2. Partially offsetting this decrease was an increase in capital grants as well as taxes.

Expenses decreased $569,756 or 15% also primarily related to a decrease in fire revenues related to the transfer of operations and reporting of the Volunteer Fire Department Fund to the Tangipahoa Parish Fire District No. 2. Decreases in General Government and Police Protection occurred in the current year as well. These decreases were partially offset by increases in Streets and Sanitation, Recreation, and Economic Development. Most significant increases from the prior year were total salaries and benefits in Streets and Sanitation and program expenses in Recreation. Decrease Police Protection related primarily to decrease in retirement expense in the current year. Decrease in General Government related primarily to decreases in professional services.

Net transfers into governmental activities decreased $1,179,172 resulting in a net transfer out of $124,348 in the current year. This change is primarily related to the transfer to the Tangipahoa Parish Fire District No. 2 discussed above.

Business-Type Activities

The business-type activities recorded an increase in net position of $671,239 or 11% of the prior year ending net position of $6,254,431. The Town's change in business-type net position increased $375,115 from the prior year change in business-type net position of $296,124.

Revenue increased $296,108 or 9% primarily related to an increase in capital grants of $276,423.

Expenses decreased from $285,405 or 15%. Water, Gas, and Sewer Utility expenses decreased $3,990. The most significant decrease was a decrease of $268,569 in Housing Assistance related to the Housing Choice Vouchers being transferred to Tangipahoa Parish and effectively ending the housing assistance operations July 1, 2024.

Net transfers out of the Business-Type activities increased $206,398, primarily related to an increase in transfers from the utility fund to the general fund.

Fund Financial Analysis

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the year. The basic governmental fund financial statements can be found on pages 12 through 15 of this report.

At the end of the current year, the Town's governmental funds reported combined ending fund balances of $3,576,232, of which $119,749 is assigned for the LHFA fund for current repair work on units and future projects, $406,630 is restricted for construction and debt service due to debt restrictions, $654,702 is restricted for recreation operations or construction and, $119,876 is restricted for recreation debt service. An amount of

$2,233,852 is unassigned and available for spending at the Town's discretion. An amount of $41,423 is in prepaid assets and is nonspendable. Prior year Volunteer Fire Department fund balance was transferred out in the current year to the Tangipahoa Parish Fire District No. 2 and the Volunteer Fire Department Fund was closed in 2025.

The general fund is the chief operating fund of the Town. At the end of the current year, the total fund balance for the general fund was $2,789,274. The General Fund had $2,342,662 unassigned fund balance. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The general fund unassigned fund balance represents 67% of total general fund expenditures.

Proprietary Funds

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

Governmental Fund Budgetary Highlights

The General Fund and Special Revenue Funds had no actual expenditures and other uses over budgeted amounts nor any actual revenues and other sources below budget amounts resulting in unfavorable variances greater than five percent in accordance with the Local Government Budget Act for the fiscal year ended December 31, 2025.

Capital Assets and Debt Administration

Capital Assets

The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2025 amounts to $11,175,698 (net of depreciation and amortization). The total increase in the Town's investment in capital assets for the current fiscal year was $910,527 (net of depreciation and amortization).

The following table provides a summary of the Town's capital assets (net of depreciation and amortization) at the end of the current year as compared to the prior year. For more detailed information, see Note 9 to the financial statements in this report.

Capital Assets (Net of Depreciation)
2025 and 2024

	Governmental Activities		Business-Type Activities		Total	
Capital Assets	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Land	$ 631,126	$ 631,126	$ 1,622,600	$ 1,622,600	$ 2,253,726	$ 2,253,726
Construction in Progress	2,970	67,985	-	1,594,092	2,970	1,662,077
Buildings and Improvements	3,396,712	3,268,427	665,668	619,898	4,062,380	3,888,325
Vehicles and Equipment	1,600,176	1,254,691	518,868	511,493	2,119,044	1,766,184
Infrastructure	48,624	48,624	-	-	48,624	48,624
Gas Utility System	-	-	821,934	821,934	821,934	821,934
Water Utility System	-	-	5,396,735	5,396,735	5,396,735	5,396,735
Sewer Utility System	-	-	7,234,370	4,740,421	7,234,370	4,740,421
Subtotal Capital Assets	5,679,608	5,270,853	16,260,175	15,307,173	21,939,783	20,578,026
Less: Accumulated Depreciation	(2,773,618)	(2,625,418)	(7,996,419)	(7,698,915)	(10,770,037)	(10,324,333)
Subscription Assets	10,664	20,864	-	-	10,664	20,864
Less: Accumulated Amortization	(4,712)	(9,386)	-	-	(4,712)	(9,386)
Total Capital Assets, Net	$ 2,911,942	$ 2,656,913	$ 8,263,756	$ 7,608,258	$ 11,175,698	$ 10,265,171

During the year ending December 31, 2023, the Town adopted GASB Statement No 96, Subscription-Based Information Technology Arrangements (SBITAs). There result of implementation was the addition of SBITA greater than 12 months recorded as a right-of-use asset, a subscription asset, categorized as a capital asset, along with a subscription payable in the governmental activities. The subscription asset is amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets. The Town uses the straight-line method for amortizing subscription assets. At year end December 31, 2025 the subscription assets, net of amortization is $5,952.

Capital Assets net of depreciation and amortization increased $910,527. Governmental activities capital assets increased $255,029 and business-type capital assets increased $655,498. The most significant increase related to 3 sewer construction projects in business-type activities with additions totaling $836,471 in 2025 and a park project in governmental activities started in 2024 with additions totaling $116,095. These projects were completed and transferred to depreciable assets in 2025. Other increases included: The police department purchased vehicles and equipment of $76,914 including radios and vehicles.; the recreation department purchased equipment of $134,808 consisting primarily of playground equipment and building improvements of $28,850 consisting of a remodel of facility bathrooms; fire department purchased vehicles totaling $39,393; utility departments purchased vehicles totaling $7,375, buildings of $45,770 related to maintenance building improvements and additions to the sewer system totaled $63,385.

Long-Term Debt

At December 31, 2025, the Town had total long-term debt outstanding from bonds and certificates of indebtedness payable, notes payable, subscription payables, and compensated absences payable of $2,748,187. Of this total, $305,863 is due within one year and $2,437,617 is due within greater than one year, not including unamortized bond premium of $4,707. The following table provides a summary of the Town's outstanding debt at the end of the current year as compared to the prior year.

Outstanding Debt
2025 and 2024

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Notes Payable	$ 37,608	$ 55,358	$ 80,208	$ 92,708	$ 117,816	$ 148,066
Cert. Of Indebt./Bonds	819,707	875,110	1,681,108	1,845,819	2,500,815	2,720,929
Subscriptions Payable	3,151	8,726	-	-	3,151	8,726
Compensated Absences	118,258	109,934	8,147	11,220	126,405	121,154
Total Outstanding Debt	$ 978,724	$ 1,049,128	$ 1,769,463	$ 1,949,747	$ 2,748,187	$ 2,998,875

Decreases in long term debt are related to principal payments in the current year.

At December 31, 2025, the Town also has net pension liability of $525,111 for governmental activities, a decrease of $281,093, and net pension liability of $74,464 for business-type activities, a decrease of $19,314.

Other Factors Affecting the Town

The Town of Kentwood's management approach is conservative. When possible, the Mayor and Aldermen attempt to provide services for the Town based on existing revenues and to finance long-term projects only when absolutely necessary. The Town actively pursues grant funds to minimize the cost of major projects to its citizens. The Town also attempts to keep utility rates at the minimum required to cover the costs of utility system operation. However, gas system rates are largely dependent on the amounts charged the Town for the cost of gas sold.

Contacting the Town's Financial Management

This financial report is designed to provide the Town's citizens, taxpayers, creditors and investors with a general overview of the Town's finances and show the Town's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to the Town of Kentwood, 308 Avenue G, Kentwood, Louisiana 70444, telephone (985) 229-3451.

<u>BASIC FINANCIAL STATEMENTS</u>
<u>GOVERNMENT-WIDE FINANCIAL STATEMENTS</u>

Statement A

TOWN OF KENTWOOD
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 902,969	$ 1,688,668	$ 2,591,637
Receivables, Net:			
Accounts	-	338,188	338,188
Intergovernmental	291,330	24,900	316,230
Taxes	141,901	-	141,901
Lease Receivable	-	123,357	123,357
Other	6,788	5,510	12,298
Due From Other Funds	1,735,447	57,707	1,793,154
Inventory	-	15,974	15,974
Prepaid Expenses	55,871	984	56,855
Total Current Assets	3,134,306	2,255,288	5,389,594
Noncurrent Assets:			
Restricted Assets:			
Restricted Cash and Cash Equivalents	649,828	243,954	893,782
Total Restricted Assets	649,828	243,954	893,782
Receivables:			
Lease Receivable	-	1,562,565	1,562,565
Total Receivables	-	1,562,565	1,562,565
Capital Assets:			
Land	631,126	1,622,600	2,253,726
Construction in Progress	2,970	-	2,970
Capital Assets, Net of Depreciation	2,271,894	6,641,156	8,913,050
Subscription Assets, Net of Amortization	5,952	-	5,952
Total Capital Assets, Net	2,911,942	8,263,756	11,175,698
Total Noncurrent Assets	3,561,770	10,070,275	13,632,045
Total Assets	6,696,076	12,325,563	19,021,639
Deferred Outflows of Resources			
Pension Related	245,724	9,777	255,501
Total Deferred Outflows of Resources	245,724	9,777	255,501
Liabilities			
Current Liabilities:			
Accounts Payable	72,096	94,315	166,411
Other Accrued Liabilities	54,575	6,106	60,681
Due To Other Funds	57,707	1,735,447	1,793,154
Customer Deposits	-	146,546	146,546
Accrued Interest	10,237	-	10,237
Bonds Payable	55,000	145,315	200,315
Notes Payable	18,444	12,500	30,944
Subscriptions Payable	3,151	-	3,151
Compensated Absences Payable	42,641	2,939	45,580
Total Current Liabilities	313,851	2,143,168	2,457,019
Long Term Liabilities:			
Bonds Payable	764,707	1,535,793	2,300,500
Notes Payable	19,164	67,708	86,872
Net Pension Liability	525,111	74,464	599,575
Compensated Absences Payable	75,617	5,208	80,825
Total Long Term Liabilities	1,384,599	1,683,173	3,067,772
Total Liabilities	1,698,450	3,826,341	5,524,791
Deferred Inflows of Resources			
Pension Related	239,517	20,363	259,880
Lease Related	-	1,562,966	1,562,966
Total Deferred Inflows of Resources	239,517	1,583,329	1,822,846
Net Position			
Net Investment in Capital Assets	2,138,907	6,647,825	8,786,732
Restricted for:			
Capital Projects and Debt Service	558,824	32,231	591,055
Unrestricted	2,306,102	245,614	2,551,716
Total Net Position	$ 5,003,833	$ 6,925,670	$ 11,929,503

The accompanying notes are an integral part of this statement.

Statement B

TOWN OF KENTWOOD

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2025

		Program Revenues				Net (Expenses) Revenues and Changes of Primary Government		
Primary Government	**Expenses**	**Charges for Services**	**Operating Grants & Contributions**	**Capital Grants & Contributions**	**Net (Expenses) Revenues**	**Governmental Activities**	**Business-Type Activities**	**Total**
Governmental Activities								
General Government	$ 1,116,826	$ 281,696	$ 6,829	$ 304,233	$ (524,068)	$ (524,068)	$ -	$ (524,068)
Public Safety - Police Protection	1,034,021	43,460	9,948	-	(980,613)	(980,613)	-	(980,613)
Public Safety - Fire Protection	244,360	-	30,489	-	(213,871)	(213,871)	-	(213,871)
Public Works - Streets and Sanitation	690,762	99,404	5,348	-	(586,010)	(586,010)	-	(586,010)
Health and Welfare	6,594	-	-	-	(6,594)	(6,594)	-	(6,594)
Recreation	94,670	-	-	-	(94,670)	(94,670)	-	(94,670)
Economic Development	19,461	9,600	-	-	(9,861)	(9,861)	-	(9,861)
Interest on Long Term Debt	29,837	-	-	-	(29,837)	(29,837)	-	(29,837)
Lease and Subscription Interest	311	-	-	-	(311)	(311)	-	(311)
Total Governmental Activities	$ 3,236,842	$ 434,160	$ 52,614	$ 304,233	$ (2,445,835)	(2,445,835)	-	(2,445,835)
Business-type Activities								
Gas	$ 585,313	$ 1,151,801	$ 1,247	$ -	$ 567,735	-	567,735	567,735
Water	744,814	713,885	2,679	858,385	830,135	-	830,135	830,135
Sewer	268,645	602,939	968	-	335,262	-	335,262	335,262
Nursing Home Property	77,628	143,172	-	-	65,544	-	65,544	65,544
Total Business-type Activities	$ 1,676,400	$ 2,611,797	$ 4,894	$ 858,385	$ 1,798,676	-	1,798,676	1,798,676
General Revenues:								
Taxes:								
Property Taxes						375,247	-	375,247
Sales Taxes						1,405,566	-	1,405,566
Franchise Taxes						68,182	-	68,182
Other						10,721	-	10,721
Interest Income						45,001	104,055	149,056
Donations						1,236	-	1,236
Miscellaneous						28,735	-	28,735
On Behalf Payments - State Supplemental Pay for Police						64,800	-	64,800
Other Nonoperating Revenue						-	71,201	71,201
Other Transfers (Out) to Tangipahoa Parish Fire Protection District Number Two						(1,427,041)	-	(1,427,041)
Operating Transfers In (Out) to Town Funds						1,302,693	(1,302,693)	-
Total General Revenues and Transfers						1,875,140	(1,127,437)	747,703
Change in Net Position						(570,695)	671,239	100,544
Net Position - Beginning						5,574,528	6,254,431	11,828,959
Net Position - Ending						$ 5,003,833	$ 6,925,670	$ 11,929,503

The accompanying notes are an integral part of this statement.

BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS

Statement C

TOWN OF KENTWOOD
BALANCE SHEET, GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2025

	General Fund	Volunteer Fire Department	LHFA Special Revenue Fund	Recreation Ad Valorem Special Revenue Fund	Recreation Debt Service Fund	Total Governmental Funds
Assets						
Cash and Equivalents	$ 431,168	$ -	$ -	$ 471,801	$ -	$ 902,969
Receivables, Net:						
Intergovernmental	291,330	-	-	-	-	291,330
Ad Valorem Taxes	98,681	-	-	28,409	-	127,090
Franchise Taxes	14,811	-	-	-	-	14,811
Other	6,788	-	-	-	-	6,788
Due From Other Funds	1,738,720	-	-	164,349	-	1,903,069
Prepaid Insurance	39,982	-	1,441	-	-	41,423
Other	14,448	-	-	-	-	14,448
Restricted Cash	406,630	-	123,322	-	119,876	649,828
Total Assets	$ 3,042,558	$ -	$ 124,763	$ 664,559	$ 119,876	$ 3,951,756
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities:						
Accounts Payable	$ 72,096	$ -	$ -	$ -	$ -	$ 72,096
Other Accrued Liabilities	53,275	-	1,300	-	-	54,575
Due to Other Funds	114,246	-	2,273	-	108,810	225,329
Total Liabilities	239,617	-	3,573	-	108,810	352,000
Deferred Inflows of Resources						
Ad Valorem Taxes - Unavailable	13,667	-	-	9,857	-	23,524
Total Deferred Inflows of Resources	13,667	-	-	9,857	-	23,524
Fund Balances (Deficit):						
Nonspendable	39,982	-	1,441	-	-	41,423
Restricted	406,630	-	-	654,702	119,876	1,181,208
Assigned	-	-	119,749	-	-	119,749
Unassigned	2,342,662	-	-	-	(108,810)	2,233,852
Total Fund Balances (Deficit)	2,789,274	-	121,190	654,702	11,066	3,576,232
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 3,042,558	$ -	$ 124,763	$ 664,559	$ 119,876	$ 3,951,756

The accompanying notes are an integral part of this statement.

Statement D

TOWN OF KENTWOOD

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE FINANCIAL STATEMENT OF NET POSITION

AS OF DECEMBER 31, 2025

Fund Balances, Total Governmental Funds (Statement C)	$	3,576,232
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.		
Governmental Capital Assets, Net of Depreciation		2,905,990
Governmental Subscription Assets, Net of Amortization		5,952
General long-term debt of governmental activities is not payable from current resources and, therefore, not reported in the funds. This debt is:		
Net Pension Liability		(525,111)
Deferred Outflows of Resources		245,724
Deferred Inflows of Resources		(239,517)
Accrued Interest		(10,237)
Note Payable		(37,608)
Bonds Payable		(815,000)
Unamortized Bond Premium		(4,707)
Subscription Payable		(3,151)
Compensated Absences Payable		(118,258)
Certain revenues were collected after year-end, but not available to pay current expenditures, and therefore, are reported as deferred inflows of resources in the governmental funds.		
Ad Valorem Taxes - Unavailable		23,524
Net Position of Governmental Activities (Statement A)	$	5,003,833

The accompanying notes are an integral part of this statement.

Statement E

TOWN OF KENTWOOD

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2025

	General Fund	Volunteer Fire Department	LHFA Special Revenue Fund	Recreation Ad Valorem Special Revenue	Recreation Debt Service Fund	Total Governmental Funds
Revenues						
Taxes	$ 1,692,896	$ -	$ -	$ 150,325	$ -	$ 1,843,221
Licenses and Permits	218,004	-	-	-	-	218,004
Intergovernmental	345,047	-	-	-	-	345,047
Charges for Services	45,210	-	9,600	-	-	54,810
Fines and Forfeitures	19,676	-	-	-	-	19,676
Sanitation Fees	99,404	-	-	-	-	99,404
Interest	24,576	-	4,452	11,823	4,150	45,001
Donations	1,236	-	-	-	-	1,236
On Behalf Payments - Supplemental Pay	64,800	-	-	-	-	64,800
Miscellaneous	47,747	-	-	-	-	47,747
Total Revenues	2,558,596	-	14,052	162,148	4,150	2,738,946
Expenditures						
General Government	1,104,154	-	-	-	-	1,104,154
Public Safety:						
Police	1,004,710	-	-	-	-	1,004,710
Fire	229,239	-	-	-	-	229,239
Public Works	698,188	-	-	-	-	698,188
Health and Welfare	6,594	-	-	-	-	6,594
Recreation	-	-	-	29,608	1,000	30,608
Economic Development	-	-	7,897	-	-	7,897
Capital Outlays	411,305	-	-	-	-	411,305
Debt Service:						
Principal	23,325	-	-	-	55,000	78,325
Interest	2,488	-	-	-	29,616	32,104
Total Expenditures	3,480,003	-	7,897	29,608	85,616	3,603,124
Excess (Deficiency) of Revenues Over (Under) Expenditures	(921,407)	-	6,155	132,540	(81,466)	(864,178)
Other Financing Sources (Uses)						
Operating Transfers In	1,302,693	-	-	-	85,000	1,387,693
Operating Transfers (Out)	-	-	-	(85,000)	-	(85,000)
Other Transfers In (Out)		(1,449,449)				(1,449,449)
Total Other Financing Sources (Uses)	1,302,693	(1,449,449)	-	(85,000)	85,000	(146,756)
Net Change in Fund Balances	381,286	(1,449,449)	6,155	47,540	3,534	(1,010,934)
Fund Balances, Beginning	2,407,988	1,449,449	115,035	607,162	7,532	4,587,166
Fund Balances, Ending	$ 2,789,274	$ -	$ 121,190	$ 654,702	$ 11,066	$ 3,576,232

The accompanying notes are an integral part of this statement.

Statement F

TOWN OF KENTWOOD

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2025

Net Change in Fund Balances, Total Governmental Funds, Statement E		$ (1,010,934)
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 these assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay expenditures for capital assets	411,305	
Less:		
Current year depreciation	(148,838)	
Current year amortization	(5,526)	256,941
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not recorded as expenditures in the governmental funds.		
Loss on disposal of capital assets		(1,912)
Change in compensated absences		(8,324)
Change in accrued interest		1,553
Pension expense		61,704
Some revenues in the statement of activities do not provide current financial resources and are not reported as revenues in the governmental funds.		
Non-employer contributions to cost-sharing pension plan		35,054
Deferred inflows of resources for ad valorem taxes collected after year-end, but not available to pay current expenditures change by the following amount.		16,495
Repayment of bond, note, and subscription principal is an expenditure in governmental funds but the repayment reduces long-term liabilities in the statement of net position. Proceeds received through bonds, notes, and subscriptions are recorded as an other financing source in governmental funds, but as increases in long term liabilities in the Statement of Net Position.		
Principal payments - Series 2017	55,000	
Principal payments - note payable	17,750	
Principal payments - subscriptions	5,575	78,325
Governmental funds report the effects of premium, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Amortization of Bond Premium	403	403
Change in Net Position of Governmental Activities, Statement B		$ (570,695)

The accompanying notes are an integral part of this statement.

Statement G

TOWN OF KENTWOOD

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

AS OF DECEMBER 31, 2025

	Utility Fund	Total Enterprise Funds
Assets		
Current Assets:		
Cash and Cash Equivalents	$ 1,688,668	$ 1,688,668
Receivables, Net:		
Accounts	338,188	338,188
Intergovernmental Receivables	24,900	24,900
Lease Receivable	123,357	123,357
Other	5,510	5,510
Due From Other Funds	57,707	57,707
Inventory	15,974	15,974
Prepaid Insurance	984	984
Total Current Assets	2,255,288	2,255,288
Noncurrent Assets:		
Restricted Assets:		
Restricted Cash and Cash Equivalents	243,954	243,954
Total Restricted Assets	243,954	243,954
Receivables:		
Lease Receivable	1,562,565	1,562,565
Total Receivables	1,562,565	1,562,565
Property, Plant, and Equipment		
Land	1,622,600	1,622,600
Property, Plant and Equipment, Net	6,641,156	6,641,156
Total Property, Plant, and Equipment	8,263,756	8,263,756
Total Noncurrent Assets	10,070,275	10,070,275
Total Assets	12,325,563	12,325,563
Deferred Outflows of Resources		
Pension Related	9,777	9,777
Total Deferred Outflows of Resources	9,777	9,777
Liabilities		
Current Liabilities (Payable From Current Assets):		
Accounts Payable	94,315	94,315
Other Accrued Liabilities	6,106	6,106
Intergovernmental Note Payable	12,500	12,500
Due To Other Funds	1,735,447	1,735,447
Compensated Absences Payable	2,939	2,939
Total Current Liabilities (Payable From Current Assets)	1,851,307	1,851,307
Current Liabilities (Payable From Restricted Assets):		
Customer Deposits	146,546	146,546
Bonds Payable	145,315	145,315
Total Current Liabilities (Payable From Restricted Assets)	291,861	291,861
Long Term Liabilities:		
Bonds Payable	1,535,793	1,535,793
Net Pension Liability	74,464	74,464
Intergovernmental Note Payable	67,708	67,708
Compensated Absences Payable	5,208	5,208
Total Long Term Liabilities	1,683,173	1,683,173
Total Liabilities	3,826,341	3,826,341
Deferred Inflows of Resources		
Pension Related	20,363	20,363
Lease Related	1,562,966	1,562,966
Total Deferred Inflows of Resources	1,583,329	1,583,329
Net Position		
Net Investment in Capital Assets	6,647,825	6,647,825
Restricted for:		
Debt Service	32,231	32,231
Unrestricted	245,614	245,614
Total Net Position	$ 6,925,670	$ 6,925,670

The accompanying notes are an integral part of this statement.

Statement H

TOWN OF KENTWOOD

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Utility Fund	Total Enterprise Funds
Operating Revenues		
Gas Sales	$ 1,132,708	$ 1,132,708
Less Cost of Gas Sold	(247,607)	(247,607)
Gross Profit on Gas Sales	885,101	885,101
Water Sales	665,851	665,851
Sewer Service Charges	583,025	583,025
Intergovernmental - Pension Paid by Others	4,894	4,894
Lease Rental Income	143,172	143,172
Other	87,041	87,041
Total Operating Revenues	2,369,084	2,369,084
Operating Expenses		
Bad Debts	20,896	20,896
Cathodic Protection	2,931	2,931
Depreciation	297,504	297,504
Employee Benefits	40,534	40,534
Insurance	4,432	4,432
Other	39,582	39,582
Professional Fees	227,246	227,246
Repairs and Maintenance	87,430	87,430
Salaries and Wages	111,871	111,871
Supplies	157,158	157,158
Utilities	158,106	158,106
Water Treatment	204,074	204,074
Total Operating Expenses	1,351,764	1,351,764
Operating Income (Loss)	1,017,320	1,017,320
Nonoperating Revenues (Expenses)		
Grants - Federal	858,385	858,385
Interest Income	104,055	104,055
Interest Expense	(77,029)	(77,029)
Other Income	71,201	71,201
Total Nonoperating Revenues (Expenses)	956,612	956,612
Income (Loss) Before Contributions and Transfers	1,973,932	1,973,932
Contributions and Transfers		
Operating Transfers Out	(1,302,693)	(1,302,693)
Change in Net Position	671,239	671,239
Total Net Position, Beginning	6,254,431	6,254,431
Total Net Position, Ending	$ 6,925,670 $	$ 6,925,670

The accompanying notes are an integral part of this statement.

Statement I

TOWN OF KENTWOOD

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Utility Fund	Total Enterprise Funds
Cash Flows From Operating Activities		
Received From Customers	$ 2,538,468	$ 2,538,468
Received (Payments) for Meter Deposit Fees	(380)	(380)
Other Receipts	93,744	93,744
Received for (Payments for) Interfund Services	1,120,220	1,120,220
Payments for Operations	(1,129,619)	(1,129,619)
Payments to Employees	(171,715)	(171,715)
Net Cash Provided (Used) by Operating Activities	2,450,718	2,450,718
Cash Flows From Noncapital Financing Activities		
Transfers From (To) Other Funds	(1,302,693)	(1,302,693)
Recovery of Bad Debt	6,576	6,576
Lease Interest Received	52,878	52,878
Principal Proceeds from (Repayments for) Note Payable	(12,500)	(12,500)
Net Cash Provided (Used) by Noncapital Financing Activities	(1,255,739)	(1,255,739)
Cash Flows From Capital and Related Financing Activities		
(Payments for) Capital Acquisitions	(1,632,406)	(1,632,406)
Receipt of Grants	1,083,535	1,083,535
Principal Proceeds from (Repayments for) Long Term Debt	(164,711)	(164,711)
Interest Payments for Long Term Debt	(80,247)	(80,247)
Net Cash Provided (Used) by Capital and Related Financing Activities	(793,829)	(793,829)
Cash Flows From Investing Activities		
Receipt of Interest	51,478	51,478
Receipt of Insurance	58,385	58,385
Net Cash Provided (Used) by Investing Activities	109,863	109,863
Net Cash Increase (Decrease) in Cash and Cash Equivalents	511,013	511,013
Cash and Cash Equivalents, Beginning of Year	1,421,609	1,421,609
Cash and Cash Equivalents, End of Year	$ 1,932,622	$ 1,932,622
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:		
Cash and Cash Equivalents, Unrestricted	$ 1,688,668	$ 1,688,668
Cash and Cash Equivalents, Restricted	243,954	243,954
Total Cash and Cash Equivalents	$ 1,932,622	$ 1,932,622

(Continued)

The accompanying notes are an integral part of this statement.

Statement I

TOWN OF KENTWOOD

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025

	Utility Fund	Total Enterprise Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	$ 1,017,320	$ 1,017,320
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	297,504	297,504
(Increase) decrease in Accounts Receivable	37,471	37,471
(Increase) decrease in Other Receivable	(2,135)	(2,135)
(Increase) decrease in Inventory	(5,630)	(5,630)
(Increase) decrease in Noncurrent Receivables	123,357	123,357
(Increase) decrease in Deferred Outflows of Resources	6,763	6,763
(Increase) decrease in Due (to) and from Other Funds	1,120,220	1,120,220
Increase (decrease) in Accounts Payable	40,473	40,473
Increase (decrease) in Compensated Absences	(3,073)	(3,073)
Increase (decrease) in Accrued Expenses	(33,732)	(33,732)
Increase (decrease) in Deferred Inflows of Resources	(147,440)	(147,440)
Increase (decrease) in Customer Deposits	(380)	(380)
Net Cash Provided (Used) by Operating Activities	$ 2,450,718	$ 2,450,718

The accompanying notes are an integral part of this statement.

BASIC FINANCIAL STATEMENTS
NOTES TO THE FINANCIAL STATEMENTS

TOWN OF KENTWOOD

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2025

Introduction

The Town of Kentwood, Louisiana was incorporated in March of 1893 under the provisions of the Lawrason Act. The Town operates under a Mayor/Board of Aldermen form of government, with the Mayor and each of five aldermen elected at large for four-year terms. The Mayor and Aldermen are compensated per diem for each meeting attended; in addition, the Mayor receives a salary. Kentwood is located directly off Interstate I-55 in the northern section of Tangipahoa Parish. The Town's total population is 2,145 as reported by the U.S. Census Bureau, Census 2020. The Town provides police and fire protection, services to maintain and develop streets, drainage, and sanitation, support of recreation activities, general and administrative services, and utilities services for area residents.

Governmental Accounting Standards Board (GASB) Statement No. 14, as amended, establishes criteria for determining the reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, as amended, the Town of Livingston is considered a primary government, since it is a local government that has a separately elected governing body. Under provisions of this statement, the Town is not considered a component unit of another government nor are there any component units of the Town.

1. Summary of Significant Accounting Policies

A. Basis of Presentation

These financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. These financial statements are presented in accordance with GASB Statement No. 34, Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments, as amended. Statement No. 34 established standards for financial reporting, with presentation requirements originally including a statement of net position (or balance sheet), and a statement of activities. The definition and composition of these statements, as originally defined in GASB Statement No. 34, are as amended by GASB Statements, some of which are included in the following paragraphs. The District has also adopted the provisions of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, that requires capital contributions to the District to be presented as a change in net position.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, Elements of Financial Statements, introduced and defined Deferred Outflows of Resources as a consumption of net assets by the government that is applicable to a future reporting period, and Deferred Inflows of Resources as an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The definition and reporting of net position is further described in Note 1K– Net Position and Fund Balance.

At December 31, 2025, the Town had deferred inflows of resources of $13,667 recorded in the General Fund and $ 9,857 in the Recreation Ad Valorem Special Revenue Fund related to ad valorem taxes not collected within the period of availability

At December 31, 2025, the Town had the following deferred outflows and deferred inflows of resources recorded in the Enterprise Fund: deferred outflows of resources related to pension of $9,777; deferred inflows of resources of $20,363 related to pension and $1,562,966 related to leases.

At December 31, 2025, the Town also had the following deferred outflows and deferred inflows of resources recorded in the government-wide statement of net position for governmental activities: deferred outflows of resources related to pension $245,724; deferred inflows of resources of $239,517 related to pension.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The application of this standard to long-term debt offerings of the Town is more fully described in Footnote 1J – Other Long-Term Obligations

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are presented as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable, if any, due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are user charges for the services provided by the enterprise funds. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Town reports the following governmental funds:

> The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
>
> The *Special Revenue Funds* account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes, other than debt service or capital projects. For the year ending December 31, 2025, the Town reported the following special revenue funds, all reported as Major Funds: (1) Kentwood Fire Department – accounts for intergovernmental revenue sources restricted by Rural Fire Protection District #2. During the year ending December 31, 2025, the operations and reporting of the Volunteer Fire Department Fund were transferred to the Tangipahoa Parish Fire District No. 2. This effectively ended the reporting of the Volunteer Fire Department Fund. (2) LHFA Fund – accounts for federal program grant and federal program income restricted by the grantor to program approved expenditures. (3) Recreation Ad Valorem

Fund – accounts for ad valorem millage dedicated for use for recreation operations and improvements.

The *Debt Service Funds* account for financial resources that are restricted, committed, or assigned to expenditure for principal and interest. For the year ending December 31, 2025, the Town had one debt service fund for the recreation park project Series 2017 Revenue Bond. This fund is used to accumulate funds for the annual installment due on the Series 2017 Revenue Bond. The bond was issued for the purpose of constructing a recreation park. Transfers will be made from the Recreation Ad Valorem Fund for this purpose and accumulated in this account.

The *Capital Projects Funds* account for financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets. For the year ending December 31, 2025, the Town had no capital project funds.

The Town reports the following major proprietary funds:

The *Enterprise Funds* account for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user fees, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. For the year ending December 31, 2025, the Town's Enterprise Funds were the Utility Fund, a Major Fund. During the year ending December 31, 2024, the Housing Assistance Fund was closed as the Housing Choice Vouchers were transferred to Tangipahoa Parish which effectively ended the housing assistance operations as of July 1, 2024.

D. Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Town's investment policy allow the Town to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities.

Investments for the Town are reported at fair value, except nonparticipating investment contracts which are reported at cost, if any.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

	Authorized	Levied	Expiration Date
General Corporate Purposes	6.34 mills	6.34 mills	None
Fire Protection	3.00 mills	3.00 mills	December 31, 2036
Police Protection	3.00 mills	3.00 mills	December 31, 2036
Recreation	8.90 mills	8.90 mills	December 31, 2036

On December 10, 2016, voters approved a new millage of 14.90 mills to be allocated as follows:

1) 3 mills for fire protection
2) 3 mills for police protection
3) 8.9 mills for recreation

This new millage is for a period of twenty years, commencing with the tax year 2017 and ending after the tax collection for the year 2036.

Sales and use taxes are levied at two percent. The proceeds of these sales and use taxes are dedicated as follows:

One percent sales and use tax dedicated to general corporate purposes. **This tax does not expire.**

One percent sales and use tax to be dedicated and used for not to exceed fifty percent of the proceeds for the constructing, acquiring, improving, maintaining, and operating solid waste collection and disposal facilities; the remainder of the proceeds for the purpose of paying police officers and other Town employees' salaries and other general operating costs of the Town; constructing and acquiring additions, extensions, and improvements to the sewerage collection, disposal, and treatment plant and system, the waterworks plant and system, and the natural gas system; constructing, paving, resurfacing, and improving streets, sidewalks, roads, bridges, alleys, drains, and drainage canals, and acquiring necessary equipment for the maintenance thereof; acquiring fire protection and public safety equipment and facilities; and constructing or improving public buildings, jails, public parks and recreation facilities, including the necessary equipment and furnishings therefore. **This tax expired on June 30, 2024, but was renewed and now expires June 30, 2044.**

F. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

G. Restricted Assets

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable bond covenants. Additionally, certain funds are restricted by grantors/contributors. Finally, funds held for customer's meter deposits are also classified as restricted assets.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their historical cost or acquisition value at the date of donation. The municipality has a threshold level of $2,500 or more for capitalizing capital assets.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. The Town does not capitalize interest during the construction period on a prospective basis per GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period.

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

Description	Estimated Lives
Buildings & Improvements	10 - 40 Years
Vehicles and Equipment	5 - 20 Years
Infrastructure	10 - 20 Years
Gas System	5 - 33 Years
Water System	5 - 33 Years
Sewer System	5 - 33 Years

I. Compensated Absences

The Town has the following policy related to vacation and sick leave:

All regular employees, after one year of employment, are entitled to annual vacation and sick leave as follows:

	Minimum Years of Service		
	0 to 1	2 to 6	7+
Vacation Leave - Days Earned per Year	5	10	15
Sick Leave - Days Earned per Year	12	12	12
	17	22	27

Office (administrative) personnel are allowed to accumulate 210 hours of vacation leave; all other employees working eight hours per day are allowed to accumulate 240 hours of vacation leave. Vacation may be used or paid upon termination or retirement. There is no limit on the accumulation of sick leave. Sick leave is not payable upon termination but is convertible to retirement credit upon retirement.

The cost of leave privileges is computed in accordance with GASB Codification Section C60. During the year ending December 31, 2024, the Town implemented GASB Statement No. 101, Compensated Absences. In accordance with GASB 101 and the Town's compensated absences polices, the Town's compensated absences liabilities in the government-wide financial statements and proprietary funds financial statements are recognized as earned for vacation and as earned and determined more likely than not to be used for time off for sick leave. Compensated absences are recorded using the first-in/first-out flow assumption. In the governmental funds financial statements, compensated absences are recognized as current year expenditures when leave is taken.

When workmen's compensation is due an employee, that employee has the option of using accrued annual vacation and sick leave while drawing workmen's compensation but must remit to the Town all workmen's compensation benefits received. A law officer disabled while performing duty of a hazardous nature may be granted a leave of absence by the Town with full pay during the period of disability, provided all workmen's compensation benefits are remitted to the Town.

J. Other Long-Term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are now expended in the period incurred under GASB 65. The Town had no bond issuance costs in the year ending December 31, 2025.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Net Position and Fund Balance

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, required reclassification of net assets into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 requires the following components of net position:

- **Net Investment in Capital Assets Component of Net Position -** The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.

- **Restricted Component of Net Position -** The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. Net position should be reported as restricted when constraints placed on net position use are either: (a) Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) Imposed by law through constitutional provisions or enabling legislation.

- **Unrestricted Component of Net Position -** The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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

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

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

- **Committed.** These are amounts that can be used only for specific purposes determined by a formal decision of the Board of Aldermen, which is the highest level of decision-making authority for the Town.

- **Assigned.** These are amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes. Assigned fund balance includes (a) all remaining amounts (except for negative balances,) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed and (b) amounts in the general fund that are intended to be used for a specific purpose based on the discretion of the Board.

- **Unassigned.** These are amounts that have not been assigned to other funds and amounts that have not been restricted, committed, or assigned to specific purposes within the general fund. Also, within other governmental funds, includes expenditure amounts incurred for specific purposes which exceed the amounts restricted, committed, or assigned to those purposes.

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

When restricted, committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds as needed, unless it has been provided for otherwise in the restriction, commitment, or assignment actions.

L. Comparative Data/Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation. All prior period adjustments, if any, recorded in the current period have been reflected in prior period data presented wherever possible.

M. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the municipality, which are either unusual in nature or infrequent in occurrence.

N. Estimates

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

O. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenses, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

2. Stewardship, Compliance and Accountability

The Town uses the following budget practices:

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

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

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

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

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

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

7. Budgets for the general and enterprise funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for enterprise funds are presented on the accrual basis of accounting. Other governmental funds are presented on the modified accrual basis of accounting. Accordingly, the budgetary comparison schedules present actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. All budgetary amounts presented reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

The General Fund and Special Revenue Funds had no actual expenditures and other uses over budgeted amounts nor any actual revenues and other sources below budget amounts resulting in unfavorable variances greater than five percent in accordance with the Local Government Budget Act for the fiscal year ended December 31, 2025.

3. Cash and Cash Equivalents

At December 31, 2025, the Town has cash and cash equivalents (book balances) as follows:

		December 31, 2025
Cash on Hand	$	798
Demand Deposits		1,163,289
Time & Savings Accounts		119,876
Louisiana Asset Management Pool (LAMP)		2,201,456
Total Cash and Cash Equivalents	$	3,485,419

The cash and cash equivalents, other than LAMP, are stated at cost, which approximates market. The deposit in LAMP is stated at fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Even though the pledged securities may be considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the municipality that the fiscal agent has failed to pay deposited funds upon demand.

Custodial credit risk as it relates to cash deposits is the risk that in the event of a bank failure, the government’s deposits may not be returned. The Town does not have a formal policy for custodial risk. At December 31, 2025, the Town has $1,771,075 in deposits (collected bank balances) other than LAMP, consisting of $1,651,199 in demand deposits within two banks and $119,876 in time and savings deposits at one bank. The demand deposits in the first bank consist of $1,381,005 in demand deposits for the Town of Kentwood. Theses demand deposits are secured from risk by federal deposit insurance of $250,000 and remaining $1,131,005 are secured by pledged securities. The $1,131,005 is exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The $270,194 of demand deposits in the second bank are secured from risk by $250,000 of federal deposit insurance and the remaining $20,194 are secured by pledged securities. The $20,194 is exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The $119,876 in time and savings deposits are secured from risk by the Trust Department of the respective bank.

4. Investments

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the town or its agent in the Town's name
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Town's name
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Town's name

The Town's investments are carried at fair value, except nonparticipating investment contracts which are reported at cost, if any.

Interest Rate Risk: The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value arising from increasing interest rates.

There were no investments held by the Town at December 31, 2025, other than deposits in LAMP which are carried as cash and cash equivalents.

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

GASB Statement 40, Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

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

1. Credit risk: LAMP is rated AAAm by Standards and Poor's.
2. Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
3. Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirement.
4. Interest rate risk: LAMP is designed to be highly liquid to give participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted

average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 73 days (from LAMP's monthly Portfolio Holding) as of December 31, 2025.

5. Foreign currency risk: Not applicable.

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

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

5. Receivables

Major receivables balances for the governmental activities include sales taxes, franchise taxes, ad valorem taxes, and other similar intergovernmental revenues. Business-type activities report utilities earnings as their major receivable. In the governmental funds these revenue accruals are limited to those that are both measurable and available. Utility accounts receivable comprise the majority of business-type activities and proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging and write-off of accounts receivable.

The Governmental Fund receivables at December 31, 2025 consist of the following:

Receivables:	General Fund	Recreation Ad Valorem Special Revenue Fund	Total Governmental Funds
Taxes:			
Ad Valorem	$ 98,681	$ 28,409	$ 127,090
Public Utility Franchise	14,811	-	14,811
Intergovernmental:			
Tangipahoa Parish School Board, Sales Tax	118,217	-	118,217
Tangipahoa Parish School Board, School Officer	7,248	-	7,248
State of Louisiana, Beer Tax	1,228	-	1,228
State Grants Receivable	36,818	-	36,818
Tangipahoa Fire District #2	127,819	-	127,819
Other Receivables	6,788	-	6,788
Total Receivables	$ 411,610	$ 28,409	$ 440,019

The Enterprise Funds receivables at December 31, 2025 consist of the following:

Receivables:		Utility Fund
Accounts Receivable:		
Current	$	251,033
31 - 60 Days		35,585
61 - 90 Days		26,742
Over 90 Days		52,919
Subtotal		366,279
Less Allowance for Bad Debt		52,919
Accounts Receivables, Net		313,360
Accrued Billings		24,828
Total Accounts Receivable		338,188
Intergovernmental Receivables:		
Due from Water Sector Program Grant		24,900
Lease Receivable		123,357
Other Receivables:		
Credit Card Receivable		1,268
Lease Interest Receivable		4,242
Total Receivables	$	491,955

6. Leases

During the year ending December 31, 2022, the Town adopted GASB Statement No 87, *Leases*. The result of the implementation was recognition in the Utility Fund and Business-type Activities of a lease receivable along with a deferred inflow of resources at the initial value of the lease receivable (plus the amount of any payments received at or before the commencement of the lease term that relate to future periods). The lease receivable was measured at the present value of the lease payments expected to be received during the lease term (less any provision for estimated uncollectible amounts). Under GASB No 87, the Town recognizes the deferred inflow of resources as inflows of resources (i.e., revenue) over the term of the lease.

The following is a summary of Town's leases for the year ending December 31, 2025 consist of the following:

	Lease Receivable End of Year	Receivable Within One Year
Business-Type Activities		
In 2021, the Town entered into a lease agreement to lease a certain tract of land along with all buildings and improvements located thereon. In 2022, the Town entered into an amendment to the lease agreement to include additional expansion space in the lease (now collectively referred to as the nursing home lease). The lease was to begin on the date that tenant improvements were substantially complete and end 18 months thereafter. However, the lease included 7 options to extend the term for 2 year periods. Rental payments for the last 12 months of the initial term are $13,800. The monthly rental payments for each renewal term increases 2% from the prior term. Lease payments began in December 2021. GASB No. 87 was adopted for this lease as of January 1, 2022.	$ 1,685,922	$ 123,357
Subtotal Business-Type Activities	1,685,922	123,357
Total	$ 1,685,922	$ 123,357

At December 31, 2025, the deferred inflow of resources related to this lease is $1,562,966.

The following is a summary of Town's inflows of resources recognized for the year ending December 31, 2025 from leases:

	Business-Type Activities
Lease-related Revenue	
Lease Revenue	
Building	$ 143,172
Total Lease Revenue	143,172
Interest Revenue	52,577
Total	$ 195,749

The following is future payments of the lease included in the measurement of the lease receivable:

Year Ending 12/31	Principal	Interest	Total
2026	$ 123,357	$ 49,221	$ 172,578
2027	130,341	45,395	175,736
2028	134,625	41,404	176,029
2029	142,018	37,232	179,250
2030	146,666	32,884	179,550
2031 to 2035	837,149	92,345	929,494
2036 to 2036	171,766	2,604	174,370
	$ 1,685,922	$ 301,085	$ 1,987,007

7. Interfund Receivables/Payables

The following is a detailed list of interfund balances reported in the fund financial statements on December 31, 2025:

Interfund Balances	Due From Other Funds	Due To Other Funds
General Fund		
Louisiana Housing Finance Authority (LHFA)	2,273	-
Recreation Ad Valorem	-	56,539
Recreation Debt Service Fund	1,000	-
Utility Fund	1,735,447	57,707
Special Revenue Funds		
Louisiana Housing Finance Authority (LHFA)		
General Fund	-	2,273
Recreation Ad Valorem		
General Fund	56,539	-
Recreation Debt Service Fund	107,810	-
Debt Service Fund		
General Fund	-	1,000
Recreation Ad Valorem	-	107,810
Proprietary Funds		
Utility Fund		
General Fund	57,707	1,735,447
Total Interfund Balances	$ 1,960,776	$ 1,960,776

The balances due to the General Fund represent primarily payroll and sanitation fees due to the general fund as well as other payables paid by the general fund. The balances due from the general fund are primarily related to deposits made in the general fund and owed to other funds. The interfund balances are repaid generally on a monthly basis.

8. Restricted Assets

Total restricted assets for the Town of Kentwood at December 31, 2025 were as follows:

		December 31, 2025
Restricted Cash and Cash Equivalents		
Customer Deposits	$	178,113
Water Construction Account		65,841
Housing Assistance Account		-
LHFA Grant Account		123,322
Industrial Development		406,630
Bond Sinking Account		32,356
Bond Reserve Account		87,520
Total Restricted Assets	$	893,782

9. Capital Assets

During the year ending December 31, 2023, the Town adopted GASB Statement No 96, Subscription-Based Information Technology Arrangements (SBITAs). There result of implementation was the addition of SBITA greater than 12 months recorded as a right-of-use asset, a subscription asset, categorized as a capital asset, along with a subscription payable in the governmental activities. The subscription liability is measured at the present value of payments expected to be made during the subscription term. The subscription asset is measured at the initial measurement of the lease liability, plus any payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term and capitalizable initial implementation costs, less any SBITA vendor incentives. The subscription asset is amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets. The Town uses the straight-line method for amortizing subscription assets.

Capital assets and depreciation and amortization activity as of and for the year ended December 31, 2025 for governmental activities is as follows:

Governmental Activities Capital Assets:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 631,126	$ -	$ -	$ 631,126
Construction in Progress	67,985	116,095	181,110	2,970
Total Capital Assets Not Being Depreciated	699,111	116,095	181,110	634,096
Capital Assets Being Depreciated:				
Buildings and Improvements	3,268,427	128,285	-	3,396,712
Vehicles and Equipment	1,254,691	348,035	2,550	1,600,176
Infrastructure	48,624	-	-	48,624
Total Capital Assets Being Depreciated	4,571,742	476,320	2,550	5,045,512
Less Accumulated Depreciation for:				
Buildings and Improvements	1,523,235	89,336	-	1,612,571
Vehicles and Equipment	1,061,834	58,375	638	1,119,571
Infrastructure	40,349	1,127	-	41,476
Total Accumulated Depreciation	2,625,418	148,838	638	2,773,618
Total Capital Assets Being Depreciated, Net	1,946,324	327,482	1,912	2,271,894
Subscription Assets	20,864	-	10,200	10,664
Less Accumulated Amortization for:				
Subscription Assets	9,386	5,526	10,200	4,712
Total Subscription Assets Being Amortized, Net	11,478	(5,526)	-	5,952
Total Governmental Activities Capital Assets, Net	$ 2,656,913	$ 438,051	$ 183,022	$ 2,911,942

Depreciation was charged to governmental functions as follows:

General Government	$ 22,021
Public Safety - Police Protection	22,086
Public Safety - Fire Protection	19,729
Public Works - Streets and Sanitation	9,376
Recreation	64,062
Economic Development	11,564
	$ 148,838

Amortization was charged to governmental functions as follows:

General Government	$ 5,526

A park construction project was started in 2024 with current year additions totaling $116,095. The project was completed in 2025 and $181,110 was transferred to depreciable assets, Buildings and Improvements and Equipment. Additionally, the police department purchased vehicles and equipment of $76,914 including radios and vehicles.; the recreation department purchased equipment of $134,808 consisting primarily of playground equipment and building improvements of $28,850 consisting of a remodel of facility bathrooms; fire department purchased vehicles totaling $39,393.

Capital assets and depreciation activity as of and for the year ended December 31, 2025 for business-type activities is as follows:

Business - Type Activities Capital Assets:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 1,622,600	$ -	$ -	$ 1,622,600
Construction in Progress	1,594,092	836,471	2,430,563	-
Total Capital Assets Not Being Depreciated	3,216,692	836,471	2,430,563	1,622,600
Capital Assets Being Depreciated:				
Buildings and Improvements	619,898	45,770	-	665,668
Vehicles and Equipment	511,493	7,375	-	518,868
Gas Utility System	821,934	-	-	821,934
Water Utility System	5,396,735	-	-	5,396,735
Sewer Utility System	4,740,421	2,493,949	-	7,234,370
Total Capital Assets Being Depreciated	12,090,481	2,547,094	-	14,637,575
Less Accumulated Depreciation for:				
Buildings and Improvements	128,573	17,990	-	146,563
Vehicles and Equipment	261,438	33,536	-	294,974
Gas Utility System	749,044	5,986	-	755,030
Water Utility System	2,544,042	135,291	-	2,679,333
Sewer Utility System	4,015,818	104,701	-	4,120,519
Total Accumulated Depreciation	7,698,915	297,504	-	7,996,419
Total Capital Assets Being Depreciated, Net	4,391,566	2,249,590	-	6,641,156
Total Business - Type Activities Capital Assets, Net	$ 7,608,258	$ 3,086,061	$ 2,430,563	$ 8,263,756

The most significant increase related to 3 sewer construction projects in business-type activities with current year additions totaling $836,471 in 2025. The projects were completed in 2025 and $2,430,563 was transferred to depreciable assets, sewer utility system. Other increases included the utility departments purchase of vehicles totaling $7,375, buildings of $45,770 related to maintenance building improvements and additions to the sewer system totaled $63,385.

10. Interfund Transfers

The following is a detailed list of interfund transfers reported in the fund financial statements on December 31, 2025:

	Transfers In	Transfers Out
Governmental Funds:		
General Fund		
Utility Fund	$ 1,302,693	$ -
Special Revenue Fund 3		
Recreation Ad Valorem Fund		
Debt Service - Recreation	-	85,000
Debt Service Fund - Recreation		
Recreation Ad Valorem	85,000	-
Proprietary Funds:		
Utility Fund		
General Fund	-	1,302,693
Total Interfund Transfers	$ 1,387,693	$ 1,387,693

The reasons for the interfund transfers were primarily to provide for budgeted expenditures of the General fund, transfer funds to utility fund for construction projects, close the capital project fund, and transfer funds related to debt service.

11. Accounts, Salaries, and Other Payables

The Governmental Fund payables at December 31, 2025 are as follows:

Governmental Funds Payable	General Fund	LHFA Special Revenue Fund	Total Governmental Funds
Accounts	$ 72,096	$ -	$ 72,096
Other Accrued Liabilities:			
Accrued Salaries	42,786	-	42,786
Payroll Taxes	10,368	-	10,368
Retirement Payable	104	-	104
Other Accrued Expenses	17	1,300	1,317
Total Governmental Funds Payable	$ 125,371	$ 1,300	$ 126,671

The Enterprise Fund payables at December 31, 2025 are as follows:

Enterprise Funds Payable	Utility Fund
Accounts	$ 94,315
Salaries Payable	6,106
Total Enterprise Funds Payable	$ 100,421

12. Short-Term Debt

The Town had no short-term debt outstanding at December 31, 2025, other than the current portion of long-term debt.

13. Long-Term Obligations

During the year ending December 31, 2023, the Town adopted GASB Statement No 96, Subscription-Based Information Technology Arrangements (SBITAs). There result of implementation was the addition of SBITA greater than 12 months recorded as a right-of-use asset, a subscription asset, categorized as a capital asset, along with a subscription payable in the governmental activities. The subscription liability is measured at the present value of payments expected to be made during the subscription term. The subscription liability is reduced as payments are made on the subscription.

The following is a summary of long-term obligation transactions for the year ended December 31, 2025:

	Governmental Activities				
	Subscriptions Payable	Notes Payable	Rev Bonds / Cert. of Indebt.	Compensated Absences	
Beginning Balance	$ 8,726	$ 55,358	$ 870,000	$ 109,934	
Additions	-	-	-	8,324	*
Deletions	(5,575)	(17,750)	(55,000)	-	
Ending Balance	3,151	37,608	815,000	118,258	
Plus Unamortized Premium	-	-	4,707	-	
Total Ending Balance	$ 3,151	$ 37,608	$ 819,707	$ 118,258	

* presented net

	Business-Type Activities				
	Notes Payable	Rev Bonds / Cert. of Indebt.	Compensated Absences		Total Long-Term Obligations
Beginning Balance	$ 92,708	$ 1,845,819	$ 11,220		$ 2,993,765
Additions	-	-	-		8,324
Deletions	(12,500)	(164,711)	(3,073)	*	(258,609)
Ending Balance	80,208	1,681,108	8,147		2,743,480
Plus Unamortized Premium	-	-	-		4,707
Total Ending Balance	$ 80,208	$ 1,681,108	$ 8,147		$ 2,748,187

* presented net

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of the long-term obligations:

TOWN OF KENTWOOD

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2025

	Governmental Activities			
	Subscriptions Payable	Notes Payable	Rev Bonds / Cert. of Indebt.	Compensated Absences
Current Portion	$ 3,151	$ 18,444	$ 55,000	42,641
Long-Term Portion	-	19,164	760,000	75,617
	3,151	37,608	815,000	118,258
Unamortized Premium	-	-	4,707	-
Total	$ 3,151	$ 37,608	$ 819,707	118,258

	Business-Type Activities			
	Notes Payable	Rev Bonds / Cert. of Indebt.	Compensated Absences	Total Long-Term Obligations
Current Portion	$ 12,500	$ 145,315	2,939	$ 279,990
Long-Term Portion	67,708	1,535,793	5,208	2,463,490
	80,208	1,681,108	8,147	2,743,480
Unamortized Premium	-	-	-	4,707
Total	$ 80,208	$ 1,681,108	8,147	$ 2,748,187

The general fund or debt service fund liquidates the obligations in the governmental activities and the utility fund liquidates the obligations in the business-type activities.

At December 31, 2025, the Town also has net pension liability of $525,111 for governmental activities, and net pension liability of $74,464 for business-type activities.

Bonds Payable as of December 31, 2025 are as follows:

	Bonds Payable End of Year	Due Within One Year
Business Type Activities:		
$ 3,051,608 Utilities Revenue Certificates of Indebtedness, Series 2014 Dated 10/29/2014 due in monthly installments of principal and interest of $ 18,843 through 12/15/2034 interest at 4.186% This issue is secured by the income and revenues derived from the operation of the Town's Utility System.	$ 1,681,108	$ 145,315
Governmental Activities:		
$ 1,200,000 Revenue Bonds, Series 2017 Dated 9/7/2017 due in annual installments of principal ranging from $25,000 in 2018 to $80,000 in 2037 and 39 semiannual installments of interest averaging $11,915 at rates of interest ranging from 1.65% to 4.00%. This issue is secured by the income and revenues derived from the recreation ad valorem millage.	815,000	55,000
	$ 2,496,108	$ 200,315

Notes Payable as of December 31, 2025 are as follows:

	Notes Payable End of Year	Due Within One Year
Business Type Activities:		
During 2017, the Town entered into an Intergovernmental Agreement with the Louisiana Department of Transportation and Development (DOTD) for work on existing sewer facilities. DOTD shall initially fund all costs, including engineering costs, incurred to complete the work. The Town shall reimburse DOTD for fifty percent (50%) of all costs to complete the work through prorated deductions from monthly utility service invoices sent to DOTD. Total costs to be repaid totaled $125,000 through 2022. Repayment through utility deductions began in 2022. This agreement is recorded within the business-type activities as a note payable.	$ 80,208	$ 12,500
Governmental Activities:		
The Town entered into a purchase/finance agreement to purchase a 2015 Freightliner fire truck for an amount of $188,235.12. The purchase is payable in twelve annual payments of $19,913.14 due on the first day of August. The fire truck is being depreciated over its estimated useful life of fifteen years. This agreement is recorded within the governmental activities as a note payable.	$ 37,608	$ 18,444
	$ 117,816	$ 30,944

Subscriptions Payable as of December 31, 2025 are as follows:

	Subscriptions Payable End of Year	Due Within One Year
Governmental Activities:		
In 2023, the Town Adopted GASB 96, Subscription-Based Information Technology Arrangements (SBITAs) and identified an SBITA with a vendor for its communication system. The Town entered into the arrangement in 2022 and implemented GASB 96 effective 1/1/2023. Upon implementation of GASB 96, the agreement included 32 remaining monthly payments of $337.60 for the SBITA. This SBITA ended in 2025 and was recorded in the governmental activities as a subscription payable.	$ -	$ -
In 2024, the Town entered into an agreement constituting a SBITA for its police department. The agreement included 4 annual payments from 2024- 2027 in amounts increasing from $1,634 - $3,295. This SBITA is recorded in the governmental activities as a subscription payable.	3,151	3,151
	$ 3,151	$ 3,151

Subscription expense for the year ending December 31, 2025 is as follows:

Subscription Expense		**Governmental Activities**
Amortization expense by class of underlying asset		
SBITA - GASB 96	$	5,526
Total amortization expense		5,526
Interest on subscription liabilities		311
Variable subscription expense		-
Total	$	5,837

The annual requirements to amortize all debt outstanding at December 31, 2025, including interest payments of $540,338 are as follows:

Year Ending	**Utilities Revenue Certificates of Indebtedness, Series 2014 - $3,051,608**						**DOTD Note Payable -$125,000**					
12/31		**Principal**		**Interest**		**Total**		**Principal**		**Interest**		**Total**
2026	$	145,315	$	67,864	$	213,179	$	12,500	$	-	$	12,500
2027		165,004		61,111		226,115		12,500		-		12,500
2028		172,045		54,070		226,115		12,500		-		12,500
2029		179,387		46,728		226,115		12,500		-		12,500
2030		187,042		39,073		226,115		12,500		-		12,500
2031 to 2035		832,315		72,999		905,314		17,708		-		17,708
	$	1,681,108	$	341,845	$	2,022,953	$	80,208	$	-	$	80,208

Year Ending	**Total Business Type Activities**					
12/31		**Principal**		**Interest**		**Total**
2026	$	157,815	$	67,864	$	225,679
2027		177,504		61,111		238,615
2028		184,545		54,070		238,615
2029		191,887		46,728		238,615
2030		199,542		39,073		238,615
2031 to 2035		850,023		72,999		923,022
	$	1,761,316	$	341,845	$	2,103,161

Year Ending 12/31	Revenue Bonds, Series 2017 - $1,200,000 Principal	Interest	Total	Note Payable - Fire Truck - $188,235 Principal	Interest	Total
2026	$ 55,000	28,159	$ 83,159	$ 18,444	1,469	$ 19,913
2027	60,000	26,500	86,500	19,164	749	19,913
2028	60,000	24,640	84,640	-	-	-
2029	60,000	22,780	82,780	-	-	-
2030	65,000	20,713	85,713	-	-	-
2031 to 2035	355,000	66,938	421,938	-	-	-
2036 to 2040	160,000	6,400	166,400	-	-	-
	$ 815,000	$ 196,130	$ 1,011,130	$ 37,608	$ 2,218	$ 39,826

Year Ending 12/31	Subscriptions Principal	Interest	Total	Total Governmental Activities Principal	Interest	Total
2026	$ 3,151	$ 145	$ 3,296	$ 76,595	$ 29,773	$ 106,368
2027	-	-	-	79,164	27,249	106,413
2028	-	-	-	60,000	24,640	84,640
2029	-	-	-	60,000	22,780	82,780
2030	-	-	-	65,000	20,713	85,713
2031 to 2035	-	-	-	355,000	66,938	421,938
2036 to 2040	-	-	-	160,000	6,400	166,400
	$ 3,151	$ 145	$ 3,296	$ 855,759	$ 198,493	$ 1,054,252

14. Flow of Funds, Restrictions on Use – Enterprise Fund and Government Fund Bonds

The governing authority of the Town adopted a resolution on June 18, 1991, authorizing issuance of $910,000 of Sewer Revenue Bonds. On June 1, 1992, the Town sold the $910,000 authorized bonds to USDA Rural Development (RUS). The bonds were issued for forty (40) years payable with interest at the rate of five percent (5%) per annum. The bonds and any installment may be paid prior to the due date and maturity thereof at a price of par and accrued interest to the date of prepayment. The Town paid this bond in full on October 29, 2014 by funds received from the issuance of Utilities Revenue Certificates of Indebtedness, Series 2014.

The governing authority of the Town adopted an ordinance on October 23, 2014, authorizing issuance of $3,051,608 of Utilities Revenue Certificates of Indebtedness, Series 2014. On October 29, 2014, the Town sold the $3,051,608 authorized bonds to Government Capital Corporation. The bonds were issued for twenty (20) years payable with interest at the rate of 4.186% per annum. The bonds and any installment may be paid prior to the due date and maturity thereof at a price of par and accrued interest to the date of prepayment. The proceeds of the bonds are restricted and are subject to the provisions of the above ordinance adopted October 23, 2014. Proceeds were issued to fund water construction projects, bond issuance costs, and to refund the Sewer Revenue Bonds. As of December 31, 2014, Government Capital Corporation had advanced all of the bond proceeds to the Town. Under the terms of the bond proceeds to the Town, the bonds are payable as to principal and interest solely from the income and revenues derived from the operation of the utility system of the Town after provision has been made for payment of the reasonable and necessary expenses of administering, operating and maintaining of the system. The bonds do not constitute an indebtedness or pledge of the general credit of the Town within the meaning of any constitutional or statutory limitation of indebtedness.

Payments on the Series 2014 bond began January 2015. The gross utility revenues recognized during the current year were $2,221,018.

The issuance of the Series 2014 bonds resulted in defeasance of the USDA Rural Development bonds issued June 18, 1991. The refunding transaction is classified as a "Current Refunding" since $620,682 of bond proceeds were used to immediately pay off the $620,682 balance of the 1991 USDA Rural Development bonds.

Per the debt requirements, the Issuer of the Utilities Revenue Certificates of Indebtedness, Series 2014 covenants to fix, establish, maintain, and collect such rates, fees, rents, or other charges for the services and facilities of the Utilities System, and all parts thereof, and to revise the same from time to time whenever necessary, as will always provide revenues in each year sufficient to pay the reasonable and necessary expenses of operation and maintaining the Utilities System, in each year, the principal and interest falling due on the Certificate in each year, all reserves or sinking funds or other payments required for such year by this Ordinance, and all obligations or indebtedness payable out of the Net Utilities Revenues during such year, and which will provide Net Utilities Revenues in each year, at least equal to 125% of the largest amount of principal and interest falling due on the Certificates and any Additional Parity Bonds in any future year. For the fiscal year ending December 31, 2025, the Town maintained a ratio of "Net Revenues" to debt principal and interest obligations that exceeded the required ratio of 125%.

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

The governing authority of the Town adopted an ordinance on May 4, 2017, authorizing issuance of $1,200,000 of Series 2017 Revenue Bonds. On September 7, 2017, the Town sold the $1,200,000 authorized bonds to Whitney Bank. The bonds were issued for twenty (20) years payable with interest at the rate ranging from 1.65% to 4.00% per annum. The proceeds of the bonds are restricted and are subject to the provisions of the above ordinance adopted May 4, 2017. Proceeds were issued to finance the costs of the acquisition, construction, and equipping of recreational facilities of the Town, to fund a debt service reserve fund, and to finance the costs of issuance of the Bonds. Under the terms of the bond proceeds to the Town, the bonds are payable as to principal and interest solely from the income and revenues derived from the recreational ad valorem taxes of the Town after provision has been made for payment of the reasonable and necessary expenses of administering, operating and maintaining of the recreation department. The bonds do not constitute an indebtedness or pledge of the general credit of the Town within the meaning of any constitutional or statutory limitation of indebtedness. A total of $32,185 was also recorded as bond issuance costs of the Series 2017 bonds.

The Series 2017 Revenue Bonds requires the Town to transfer monthly amounts to pay a portion of the next maturing principal and next due interest into the Sinking Fund. At December 31, 2025 the Sinking Fund was fully-funded at $32,356.

Series 2017 Revenue Bonds also established a Reserve Fund. This fund was initially funded with proceeds of the bonds. At December 31, 2025 the Reserve Fund was fully-funded at $87,520.

Payments on the Series 2017 bond began March 2018. The gross recreation ad valorem revenues recognized during the current year were $150,325.

15. Retirement Systems

Substantially all employees of the Town of Kentwood are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana, Municipal Police Employees Retirement System of Louisiana, or Firefighters' Retirement System of Louisiana. These systems are a cost-sharing, multiple-employer public employee retirement system (PERS), controlled and administered by a separate board of trustees.

The Town implemented Governmental Accounting Standards Board (GASB) Statement 68 on *Accounting and Financial Reporting for Pensions* and Statement 71 on *Pension Transition for Contributions Made Subsequent to the Measurement Date* –an amended of GASB 68. These standards require the Town to record its proportional share of each of the pension plans' net pension liability and report the following disclosures:

A. Municipal Employee Retirement System of Louisiana (System)

Plan Description. The system is the administrator of a cost-sharing, multiple-employer public employee retirement systems (PERS), and is controlled and administered by a separate board of trustees. The System was established and provided for by R.S. 11:1731 of the Louisiana Revised Statutes (LRS). The System provides retirement benefits to employees of all incorporated villages, towns, and cities within the State which do not have their own retirement system and which elect to become members of the System.

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the System with exceptions as outlined in the statutes.

The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Any person eligible for membership whose first employment making him eligible for membership in the System occurred on or after January 1, 2013 shall become a member of the MERS Plan A Tier 2 or MERS Plan B Tier 2 of the System as a condition of employment. All employees of the Town are members of Plan B.

Retirement Benefits:
Benefit provisions are authorized within Act 356 of the 1954 regular session and amended by LRS 11:1756-11:1785. The following brief description is of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Any member of Plan B who commenced participation in the System prior to January 1, 2013 can retire providing he meets one of the following criteria:

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

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

Any member of Plan B Tier 2 shall be eligible for retirement if he meets one of the following requirements:

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

The monthly amount of the retirement allowance for any member of Plan B Tier 2 shall consist of an amount equal to two percent of the member's final compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

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

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

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

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

Disability Benefits:
For Plan B, a member shall be eligible to retire and receive a disability benefit if he has at least ten years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of (1) an amount equal to two percent of his final compensation multiplied by his years of creditable service, but not less than thirty percent of his final

compensation, or (2) an amount equal to what the member's normal retirement benefit would be based on the member's current final compensation, but assuming the member remained in continuous service until his earliest normal retirement age and using those retirement benefit computation factors which would be applicable to the member's normal retirement.

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

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

The System has issued a stand-alone audit report on its financial statements for the year ended June 30, 2025. Access to the report can be found on the System's website, www.mersla.com, or on the Louisiana Legislative Auditor's website, www.lla.la.gov.

Funding Policy: Contributions for all members are established by statute. Under Plan B, members are required by state statute to contribute five percent of their annual covered salary and the Town of Kentwood is required to contribute at an actuarially determined rate. For the year ended June 30, 2025 the rate was 14 percent of member's earnings. Contributions to the System also include one-fourth of one percent of the ad valorem taxes collected within the respective parishes, except Orleans. Tax monies are apportioned between Plan A and Plan B in proportion to salaries of plan participants. Tax monies received from East Baton Rouge Parish are apportioned between this system (the Municipal Employees' Retirement System) and the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge. The System also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income are used as additional employer contributions and considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense.

The Town of Kentwood's contributions to the System under Plan B for the years ending December 31, 2025 and 2024 were $54,871, and $69,916, respectively, equal to or greater than the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At December 31, 2025, the Town reported a liability of $216,539 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contribution of all participating, actuarially determined. At June 30, 2025, the Town's proportion was 0.452925%, which was an decrease of -0.017623% from its proportion measured as of June 30, 2024.

For the year ended December 31, 2025, the Town recognized pension expense for the MERS System of $14,668 representing its proportionate share of the System's net expense, including amortization of deferred amounts.

At December 31, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to the MERS pension system from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	$ (3,022)
Changes of Assumptions	-	(5,115)
Net difference between projected and actual earnings on pension plan investments	-	(7,825)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	7,687	(5,381)
Employer contributions subsequent to the measurement date	27,823	-
Total	$ 35,510	$ (21,343)

The Town reported a total of $27,823 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2025 which will be recognized as a reduction in net pension liability in the year ended December 31, 2026.

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

Year	
2026	$ 15,211
2027	(13,652)
2028	(10,708)
2029	(4,507)
	$ (13,656)

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2025 is as follows:

Valuation Date	June 30, 2025
Actuarial Cost Method	Entry Age Normal
Expected Remaining Service Lives	2 years (Plan B)
Investment Rate of Return	6.85%, net of investment expense
Inflation Rate	2.5%
Salary Increases, including inflation And merit increases	
1 to 2 years of service	9.5%
More than 2 years of service	4.6%

Annuitant and Beneficiary Mortality	PubG-2010(B) Healthy Retiree Table set equal to 115% for males and 120% for females, each adjusted using their respective male and female MP2021 scales.
Employee Mortality	PubG-2010(B) Employee Table set equal to 115% for males and 120% for females, each adjusted using their respective male and female MP2021 scales.
Disabled Lives Mortality	PubNS-2010(B) Disabled Retiree Table set equal to 115% for males and 120% for females with the full generational MP2021 scales.

Discount Rate. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2025 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public Equity	53%	2.31%
Public Fixed Income	29%	1.26%
Alternatives	18%	0.78%
Totals	100%	4.35%
Inflation		2.50%
Expected Arithmetic Nominal Rate		6.85%

The discount rate used to measure the total pension liability was 6.85% for the year ended June 30, 2025, which was no change from the discount rate used to measure the total pension liability for the year ended of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the participating employers calculated using the discount rate of 6.85%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2025:

	1% Decrease	Current Discount Rate	1% Increase
Rates	5.850%	6.850%	7.850%
Town of Kentwood Share of NPL	$ 373,529	$ 216,539	$ 83,824

B. Municipal Police Employees Retirement System of Louisiana (System)

Plan Description. The Municipal Police Employees' Retirement System (System) is a cost-sharing multiple-employer defined benefit pension plan established by Act 189 of 1973 to provide retirement, disability, and survivor benefits to municipal police officers in Louisiana.

Membership is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrest, providing he does not have to pay social security and providing he meets the statutory criteria.

<u>Retirement Benefits:</u>
Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Membership Prior to January 1, 2013: A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit.

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

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

Membership Commencing January 1, 2013: Member eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are 3% and 2½%, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

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

Cost of Living Adjustments:
The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.

No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

A COLA may only be granted if funds are available from interest earnings in excess of normal requirements, as determined by the actuary.

Deferred Retirement Option Plan:
A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is 36 months or less. If employment is terminated after the three-year period the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never

lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account.

If the member elects a money market investment return, the funds are transferred to a government money market account and earn interest at the money market rate.

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

The System issued a stand-alone audit report on its financial statements for the year ended June 30, 2025. Access to the audit report can be found on the System’s website: www.lampers.org or on the Office of Louisiana Legislative Auditor’s official website: www.lla.state.la.us.

Funding Policy. According to state statute, the Town of Kentwood is required to contribute at an actuarially determined rate but cannot be less than 9% of the employee’s earnable compensation excluding overtime but including state supplemental pay. For the year ended June 30, 2025, the employer and employee contribution rates for members hired prior to January 1, 2013 and Hazardous Duty members hired after January 1, 2013 were 35.6% and 10%, respectively. The employer and employee contribution rates for all Non-Hazardous Duty members hired after January 1, 2013 were 35.6% and 8%, respectively. The employer and employee contribution rates for members whose earnable compensation is less than or equal to poverty guidelines issued by the U.S. Department of Health and Human Services were 38.1% and 7.5%, respectively.

The System also receives insurance premium tax monies as additional employer contributions and considered support from a non-contributing entity. This tax is appropriated by the legislature each year based on an actuarial study. This additional source of income is used as additional employer contributions and considered support from non-employer contributing entities, but is not considered a special funding situation. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2025. During the year ending December 31, 2025, the Town recognized revenue as a result of support received from non-employer contributing entities of $9,948 for its participation in MPERS.

The Town of Kentwood contributions to the System under Plan B for the years ending December 31, 2025 and 2024 were $45,968 and $44,119, respectively, equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At December 31, 2025, the Town reported a liability of $231,637 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contribution of all participating, actuarially determined. At June 30, 2025, the Town’s proportion was 0.033541%, which was a decrease of -0.009664% from its proportion measured as of June 30, 2024.

For the year ended December 31, 2025, the Town recognized pension expense for the MPERS System of $29,814 representing its proportionate share of the System's net expense, including amortization of deferred amounts.

At December 31, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to the MPERS pension system from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 11,231	$ (6,128)
Changes of Assumptions	-	(10,639)
Net difference between projected and actual earnings on pension plan investments	-	(18,246)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	54,853	(64,566)
Employer contributions subsequent to the measurement date	23,529	-
Total	$ 89,613	$ (99,579)

The Town reported a total of $23,529 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2025 which will be recognized as a reduction in net pension liability in the year ended December 31, 2026.

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

Year	
2026	$ 31,065
2027	(20,889)
2028	(36,026)
2029	(7,645)
	$ (33,495)

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2025is as follows:

Valuation Date	June 30, 2025
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.750%, net of investment expense
Expected Remaining Service Lives	4 years
Inflation Rate	2.50%
Salary increases, including inflation and merit	
1-2 years of service	13%
Over 2 years of service	4.75%

Mortality	For annuitants and beneficiaries, the Pub-2016 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 125% for males and females, each with full generational projection using the MP2021 scale was used. For disabled lives, the Pub-2016 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 125% for males and females, each with full generational projection using the MP2021 scale was used. For employees, the Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 125% for males and females, each with full generational projection using the MP2021 scale was used.
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The mortality rate assumption used was set based upon an experience study performed by the actuary on plan data for the period July 1, 2019 through June 30, 2024. A change was made to full generational mortality which combines the use of a base mortality table with appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combined with a standard table to produce current levels of mortality.

Best estimates of arithmetic nominal rates of return for each major asset class included in the System's target asset allocation as of June 30, 2025 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Equity	51.00%	3.20%
Fixed Income	35.00%	1.21%
Alternatives	14.00%	1.04%
Totals	100.00%	5.45%
Inflation		2.67%
Expected Arithmetic Nominal Rate		8.12%

The discount rate used to measure the total pension liability was 6.75% for the year ended June 30, 2025, which was no change from the discount rate used to measure the total pension liability for the year ended of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the participating employers calculated using the discount rate of 6.75%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2025:

	1% Decrease	Current Discount Rate	1% Increase
Rates	5.750%	6.750%	7.750%
Town of Kentwood Share of NPL	$ 379,964	$ 231,637	$ 107,419

C. Firefighters Retirement System of Louisiana (System)

Plan Description. The Firefighters' Retirement System (System) is a cost-sharing multiple-employer defined benefit pension plan established by Act 434 of 1979 to provide retirement, disability, and survivor benefits to firefighters in Louisiana. Membership in the Louisiana Firefighters Retirement System is mandatory for all full-time firefighters who earn at least $375 per month and are employed by a municipality, parish, or fire protection district of the State in addition to employees of the Firefighters' Retirement System.

Retirement Benefits:
Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251-11:2272. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Employees with 20 or more years of service who have attained age 50, or employees who have 12 years of service who have attained age 55, or 25 years of service at any age are entitled to annual pension benefits equal to 3 1/3% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity.

If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity. An employee may elect an unreduced benefit or any of six options at retirement.

See R.S. 11:2256(A) for additional details on retirement benefits.

Disability Benefits:
A member who acquires a disability, and who files for disability benefits while in service, and who upon medical examination and certification as provided for in Title 11, is found to have a total disability solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has at least five years of creditable service and provided that the disability was incurred while the member was an active contributing member in active service, shall be entitled to disability benefits under the provisions of R.S. 11:2258(B).

Death Benefits:
Benefits shall be payable to the surviving eligible spouse or designated beneficiary of a deceased member as specified in R.S. 11:2256(B) & (C).

Deferred Retirement Option Plan:
After completing 20 years of creditable service and age 50 or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months.

Upon commencement of participation in the deferred retirement option plan, employer and employee contributions to ERS cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account. Upon termination of employment, a participant in the program shall receive, at his option, a lump-sum payment from the account or an annuity based on the deferred retirement option plan account balance in addition to his regular monthly benefit.

If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to ERS. No payments may be made from the deferred retirement option plan account until the participant retires.

Initial Benefit Option:
Effective June 16, 1999, members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as the DROP account.

Cost of Living Adjustments (COLAs):
Under the provisions of R.S. 11:246 and 11:2260(A)(7), the board of trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of up to 3% of their current benefit, and all retired members and widows who are 65 years of age and older a 2% increase in their original benefit. In order for the board to grant either of these increases, the System must meet certain criteria detailed in the statue related to funding status and interest earnings (R.S. 11:243). In lieu of these COLAs, pursuant to R.S. 11:241, the board may also grant an increase based on a formula equal to up to $1 times the total number of years of credited service accrued at retirement or at death of the member or retiree plus the number of years since retirement or since death of the member or retiree to the system's fiscal year end preceding the payment of the benefit increase. If there are not sufficient funds to fund the benefit at the rate of one dollar per year for such total number of years, then the rate shall be reduced in proportion to the amount of funds that are available to fund the cost of living adjustment.

The System issued a stand-alone audit report on its financial statements for the year ended June 30, 2025. Access to the audit report can be found on the System's website: www.lampers.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

Funding Policy. Plan members are required by state statute to contribute ten percent of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The employer contribution rates were 33.25 percent of annual covered salary for the plan years ending in 2025 and 33.25 percent for 2024. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior year.

According to state statute, FRS receives insurance premium tax funds from the State of Louisiana. This additional source of income is used as an additional employer contribution and is reported as a non-employer contribution but is not considered a special funding situation. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2025. During the year ending December 31, 2025, the Town recognized revenue as a result of support received from non-employer contributing entities of $12,519 for its participation in FRS.

The Town of Kentwood contributions to the System under Plan B for the years ending December 31, 2025 and 2024 were $52,152 and $36,456, respectively equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At December 31, 2025, the Town reported a liability of $151,399 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contribution of all participating, actuarially determined. At June 30, 2025, the Town's proportion was 0.035944%, which was decrease of -0.003666% from its proportion measured as of June 30, 2024.

For the year ended December 31, 2025, the Town recognized pension expense for the FRS System of $34,880 representing its proportionate share of the System's net expense, including amortization of deferred amounts.

At December 31, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to the FRS pension system from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 19,388	$ (2,732)
Changes of Assumptions	6,903	-
Net difference between projected and actual earnings on pension plan investments	-	(28,292)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	69,875	(107,934)
Employer contributions subsequent to the measurement date	34,212	-
Total	$ 130,378	$ (138,958)

The Town reported a total of $34,212 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2025 which will be recognized as a reduction in net pension liability in the year ended December 31, 2026.

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

Year	
2026	$ 29,148
2027	(8,458)
2028	(23,532)
2029	(26,796)
2030	(12,126)
2031	(1,028)
	$ (42,792)

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2025 is as follows:

Valuation Date	June 30, 2025
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.90% per annum (net of investment expenses, including inflation)
Expected Remaining Service Lives	7 years
Inflation Rate	2.50% per annum (decreased from 2.70% in 2018)
Salary Increases	14.50% in the first two years of service and 5% with 3 or more years of service; includes inflation and merit increases
Cost of Living Adjustments	For the purposes of determining the present value of benefits, COLAs were deemed not to be substantively automatic and only those previously granted were included.

For the June 30, 2025 valuation, assumptions for mortality rates were based on the following:

- For active members, mortality was set equal to the Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Employees.
- For annuitants and beneficiaries, mortality was set equal to the Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees.
- For disabled retirees, mortality was set equal to the Pub-2016 Public Retirement Plans Mortality Table for Safety Disabled Retirees.
- In all cases the base table was multiplied by 110% for males and 110% for females, each with full generational projection using the appropriate MP2021 scale.

The long-term expected real rate of return is an important input into the actuary's determination of the reasonable range for the discount rate which is used in determining the total pension liability. The actuary's method incorporates information from multiple consultants and investments firms regarding future expected rates of return, variances, and correlation coefficients for each asset class. The actuary's method integrates data form multiple sources to produce average values thereby reducing reliance on a single data source.

The June 30, 2025, estimated long-term expected rate of return on pension plan investments was determined by the System's actuary using the System's target asset allocation and the Curran Actuarial Consulting average study. The consultant's average study included projected nominal rates of return, standard deviations of returns, and correlations of returns for a list of common asset classes collected from a number of investment consultants and investment management firms. Each consultant's response included nominal expected long term rates of return. In order to arrive at long-term expected arithmetic real rates of return, the actuary normalized the data received from the consultant's responses in the following ways. Where nominal returns received were arithmetic, the actuary simply reduced the return assumption by the long-term inflation assumption. Where nominal returns were geometric, the actuary converted the return to arithmetic by adjusting for the long-term standard deviation and then reduced the assumption by the long-term inflation assumption. Using the target asset allocation for the System and the average values for expected real rates of return, standard deviation of returns, and correlation of returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. The System's long-term assumed rate of inflation of 2.50% was used in this process for the fiscal year ended June 30, 2025.

Best estimates of real rates of return for each major asset class included in FRS' target asset allocation as of June 30, 2025 are summarized in the following table:

	Asset Type	Target Asset Allocation	Long-Term Expected Real Rate of Return
Equity	U.S. Equity	27.00%	6.23%
	Non-U.S. Equity	11.00%	6.36%
	Global Equity	10.00%	6.50%
	Emerging Market Equity	4.00%	8.26%
Fixed Income	U.S. Core Fixed Income	23.00%	2.09%
	U.S. TIPS	2.00%	2.00%
	Emerging Market Debt	2.00%	4.05%
	Multisector Fixed Income	5.00%	2.34%
Alternatives	Private Equity/Private Debt	9.00%	9.77%
	Real Estate	4.00%	4.85%
	Real Assets	3.00%	5.93%
		100.00%	

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates, and that contributions from participating employers will be made at the actuarially determined rates approved by the Board of Trustees and by the Public Retirement Systems' Actuarial Committee taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the participating employers calculated using the discount rate of 6.90%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2025:

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability

	1% Decrease	Current Discount	1% Increase
Rates	5.90%	6.90%	7.90%
Town of Kentwood Share of NPL	$ 292,127	$ 151,399	$ 34,089

16. Fund Balances/Net Position

At December 31, 2025, the General Fund had $39,982 non-spendable fund balance, representing the value of prepaid insurance at fiscal year-end. The General Fund also had $406,630 at fiscal year-end recorded as restricted fund balance. The Town of Kentwood sold its interest in a building on April 13, 2000, restricting proceeds of the sale per terms of the original bond issue.

At December 31, 2025, the LHFA special revenue fund had $1,441 non-spendable fund balance, representing the value of prepaid insurance at fiscal year-end, with the remaining fund balance assigned for specific use for economic development.

At December 31, 2025, the Recreation Ad Valorem special revenue fund had $654,702 in fund balance restricted for specific use for operations and improvements for recreation.

At December 31, 2025, the Recreation Debt Service Fund had $119,876 fund balance assigned to debt service and recorded negative unassigned fund balance.

At December 31, 2025, the Utility Fund had $32,231 in net position restricted for repayment of customer deposits.

17. Risk Management

The Town is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, injuries, natural disasters, and many other unforeseeable events. The Town purchases commercial insurance policies and bonds for any and all claims related to the aforementioned risks. The Town's payment of the insurance policy deductible is the only liability associated with these policies and bonds. There has been no significant decrease in insurance coverage from the prior year, and the amount of settlements has not exceeded the insurance coverage for the past three fiscal years.

18. Contingent Liabilities

At December 31, 2025, the Town was not involved in any outstanding litigation or claims.

19. On-Behalf Payments for Fringe Benefits and Salaries

For the fiscal year ended December 31, 2025, the State of Louisiana made on behalf payments in the form of supplemental pay to the Town's policemen and firefighters. In accordance with GASB 24, the Town recorded $64,800 of on behalf payments as revenue and as expenditure in the General Fund.

20. LHFA Grant Revenue and Commitment

During the year ended December 31, 2010 the town was awarded $369,539 in Community Development Block Grant funds, passed though the Louisiana Housing Finance Agency (LHFA) - Neighborhood Stabilization Program. The funds were awarded for the purchase, demolish and rebuild of two residential properties and for the purchase and rehabilitation of a third property. During 2010, the town expended $244,901 of the grant funds with the remaining amounts to be expended in 2011. As part of the program award, the Town of Kentwood signed two promissory notes on October 6, 2010 in the amounts of $123,180 and $246,359 on the one rehabilitation property and the two rebuilt, respectively. The terms of the promissory notes included a fifteen year pay down scenario commencing twelve months after the issuance of a certificate of occupancy on the property. The terms of the pay down include a 1/15th annual reduction in the note amount at zero interest for each year that the property is leased to persons meeting the guidelines established in the notes as well as in the grant agreement. The notes become due and payable upon (i) the sale of the properties prior to fifteen years; or (ii) the failure of the Town to lease the property as outlined in the agreement. In 2010, the Town recorded $244,901 as grant revenue in the governmental activities of the statement of activities and in the statement of revenues, expenditures and changes in fund balances - governmental funds (Capital Project Fund LHFA). In 2011, the Town recorded $125,063 as grant revenue in the governmental activities of the statement of activities and in the statement of revenues, expenditures and changes in fund balances - governmental funds (Capital Project Fund LHFA). The two houses for which funding was received were completed with total construction costs for the two houses totaling $304,315.

As the construction on the third LHFA property was nearing completion in 2012, an accident occurred, with a log truck losing control and demolishing the third LHFA property. At fiscal year-end 2011, $101,495 in construction costs was recorded with the construction approximately 90 percent complete. Final costs of $112,165 were recorded in 2012. After the Town paid $1,136 for an inspection of the damaged house, the property was considered a total lost. Insurance reimbursement was received in the amount of $180,535. The Town repaid $79,580 of the NSP Grant. The Town also incurred $8,500 in 2013 for the demolition of the building.

21. Intergovernmental Agreement

On January 14, 2013, the Town of Kentwood, on behalf of the Kentwood Volunteer Fire Department, entered into a contract with Tangipahoa Parish Fire Protection District No. 2 for centralized management and operation of Kentwood Volunteer Fire Department. This contract is part of an overall contract between the Tangipahoa Parish Fire Protection District No. 2 and a total of ten fire departments consisting of various fire departments that are governmental entities and fire departments that are non-profit entities organized and existing under the laws of the State of Louisiana. Significant provisions of the contract for the term beginning January 1, 2017 through December 31, 2020, signed on November 28, 2016, with the Tangipahoa Parish Fire Protection District No. 2 are as follows:

- Prior approval from the Fire Administrator of Tangipahoa Fire Protection District No. 2 (the District) must be obtained for all expenditures through a purchasing system which has been adopted by the Board of Commissioners of the District.

- All additions or other changes to personnel shall be ratified in accordance with the annual budget adopted by the Board of Commissioners of the District for each fiscal year. Any purchases of real property or equipment and/or expansion or repairs to existing facilities, with a cost in excess of $10,000, shall be approved by the District, prior to such funds being expended.
- All equipment, having a purchase price of in excess of $999, shall be tagged with an inventory tag. Additionally, any and all District equipment shall be property tagged and marked. Under no circumstances shall the inventory tags be removed in any manner. All vehicles purchased with District funds shall have the appropriate and distinctive District logo applied. An inventory list, as of December 31st of each previous year, shall be provided to the District no later than January 31st of the following year. The information to be provided shall include the following: sufficient item description, location of each item, tag number, date acquired and purchase price.
- The District agrees to appropriate, for the use of the undersigned Fire Departments, all monies it receives for fire protection purposes, excluding $260,000 for the year ending December 31, 2017, which shall be deducted from the District's individual account in the month of January 2017, set aside in a separate District administrative account to be used by the District for specified purposes, including payroll, accounting fees, insurance, utilities, office supplies, postage, legal publications, telephone, and other operating items.
- All insurance which is deemed necessary by the District including, but not limited to workman's compensation, general liability, and liability on and physical damage to vehicles, shall be purchased and maintained by the District, with funds deducted from the allocations to the Fire Departments made pursuant to this contract. All insurance policies must be in the name of Tangipahoa Parish Rural Fire District No. 2 as the owner on all vehicles, equipment, and property policies.
- The District shall administer funds and maintain the accounting records of all Fire Departments contracted with it (District).
- Each department contracted with the District shall administer their own payroll, with each Fire Department maintaining its own payroll checking account. Each individual Fire Department shall be reimbursed for its payroll expenses from its respective funds. All payroll documents shall be provided to the District, including bank reconciliations, payroll registers, time cards, etc. Payroll expenses will not be reimbursed for any position that has not been ratified by the Board of Commissioners of the District.
- Each Fire Department may elect to either receive its two (2%) per cent fire insurance rebate or have these funds deposited by the Tangipahoa Parish Rural Fire District No. 2 into the respective accounts of each Fire Department, which accounts will be maintained by the Tangipahoa Parish Rural Fire District No. 2. An annual report of these funds shall be provided to the District, if the Fire Departments elect to receive its rebate funds. Each individual Fire Department shall be financially responsible for its own annual report. The annual report shall contain detailed accounting of these funds with invoices and copies of checks.
- Any and all funds distributed to the various Fire Departments are at a set percentage agreed to under the terms of this contract. The allocation for the Kentwood Volunteer Fire Department for the fiscal year ending December 31, 2025, was 10.5%. In the event of emergency situations or unexpected events and conditions that may occur during the course of this agreement, this formula allocation may be adjusted by the Board of Commissioners with the consent of each individual Fire Department affected.
- The District shall provide each Fire Department with a monthly accounting of cash.
- Additional responsibilities and duties of the Tangipahoa Fire Protection District No. 2 and the various fire departments are as specified and detailed within this contract.
- As an attachment to this contract signed March 22, 2018, an agreement between the Tangipahoa Fire Protection District No. 2 and the Town of Kentwood further details the services to be provided by the Town of Kentwood in support of the Kentwood Volunteer Fire Department, and the services for which the Town of Kentwood may be reimbursed. As part of this attachment to the contract, it is

specified that the parties herein and hereby agree that the total reimbursement due the Town of Kentwood for salaries shall not exceed two-hundred fifty thousand dollars ($250,000).

During the year ending December 31, 2025, a new intergovernmental agreement was signed with Tangipahoa Parish Fire Protection District No. 2 which called for more centralized management, operation and financial operation and reporting. This effectively ended the reporting of the Volunteer Fire Department Fund and combined these operations and reporting with the Tangipahoa Parish Fire Protection District No. 2. The current year attachment to the new contract is not materially different in relation to the amount to be reimbursed to the Town of Kentwood and reported in the Town's general fund for the year 2025.

22. Subsequent Events

Subsequent events have been evaluated by management through July 27, 2026, the date the financial statements were available to be issued and these financial statements considered subsequent events through such date. No other events were noted that require recording or disclosure in the financial statements for the fiscal year ending December 31, 2025.

REQUIRED SUPPLEMENTARY INFORMATION
(PART II)

Schedule 1

TOWN OF KENTWOOD

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) TO ACTUAL GENERAL FUND - SUMMARY

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final	GAAP Basis	Favorable (Unfavorable)
Revenues				
Taxes	$ 1,605,800	$ 1,625,600	$ 1,692,896	$ 67,296
Licenses and Permits	221,000	222,000	218,004	(3,996)
Intergovernmental	31,000	320,400	345,047	24,647
Charges for Services	103,400	46,100	45,210	(890)
Fines and Forfeitures	20,000	18,000	19,676	1,676
Sanitation Fees	97,000	99,500	99,404	(96)
Interest	45,000	24,600	24,576	(24)
Donations	3,000	1,200	1,236	36
On Behalf Payments - Supplemental Pay	110,000	125,000	64,800	(60,200)
Miscellaneous	9,700	43,000	47,747	4,747
Total Revenues	2,245,900	2,525,400	2,558,596	33,196
Expenditures				
General Government	1,325,900	1,264,500	1,104,154	160,346
Public Safety:				
Police	1,086,700	1,045,500	1,004,710	40,790
Fire	190,300	262,200	229,239	32,961
Public Works - Streets and Sanitation	750,500	743,500	698,188	45,312
Health and Welfare	6,600	6,600	6,594	6
Recreation	21,500	-	-	-
Capital Outlays	334,000	480,000	411,305	68,695
Debt Service				
Principal	23,350	22,700	23,325	(625)
Interest	2,500	3,100	2,488	612
Total Expenditures	3,741,350	3,828,100	3,480,003	348,097
Excess Revenues (Expenditures)	(1,495,450)	(1,302,700)	(921,407)	381,293
Other Financing Sources (Uses)				
Operating Transfers In	1,495,450	1,302,700	1,302,693	(7)
Total Other Financing Sources (Uses)	1,495,450	1,302,700	1,302,693	(7)
Net Change in Fund Balances	-	-	381,286	381,286
Fund Balances, Beginning	2,060,312	2,407,988	2,407,988	-
Fund Balances, Ending	$ 2,060,312	$ 2,407,988	$ 2,789,274	$ 381,286

See independent auditor's report.

Schedule 2

TOWN OF KENTWOOD

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) TO ACTUAL GENERAL FUND - DETAIL

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual Amounts	Variance Favorable
Revenues	**Original**	**Final**	**GAAP Basis**	**(Unfavorable)**
Taxes				
Ad Valorem	$ 234,200	$ 157,000	$ 208,427	$ 51,427
Sales Taxes	1,300,000	1,390,000	1,405,566	15,566
Franchise Taxes	62,000	67,400	68,182	782
Alcoholic Beverage Taxes	9,000	7,000	5,998	(1,002)
Chain Store Taxes	600	4,200	4,723	523
Total Taxes	1,605,800	1,625,600	1,692,896	67,296
Licenses and Permits				
Business Privilege and Insurance License	200,000	201,000	205,929	4,929
Building Permits	6,000	6,000	4,550	(1,450)
Electric Permits	5,000	5,000	4,475	(525)
Liquor Licenses	10,000	10,000	3,050	(6,950)
Total Licenses and Permits	221,000	222,000	218,004	(3,996)
Intergovernmental				
State Grants				
LGAP Grant	13,000	17,400	19,500	2,100
Other State Grants	-	20,000	23,254	3,254
Recreation for Park	-	265,000	284,733	19,733
Other				
Fire District Reimbursement	18,000	18,000	17,560	(440)
Total Intergovernmental	31,000	320,400	345,047	24,647
Miscellaneous Revenues				
Charges for Services	103,400	46,100	45,210	(890)
Fines and Forfeitures	20,000	18,000	19,676	1,676
Sanitation Fees	97,000	99,500	99,404	(96)
Interest	45,000	24,600	24,576	(24)
Donations	3,000	1,200	1,236	36
On Behalf Payments - Supplemental Pay	110,000	125,000	64,800	(60,200)
Miscellaneous Receipts	9,700	43,000	47,747	4,747
Total Miscellaneous Revenues	388,100	357,400	302,649	(54,751)

(Continued)

See independent auditor's report.

Schedule 2

TOWN OF KENTWOOD

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) TO ACTUAL GENERAL FUND - DETAIL (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts			Variance
Expenditures	**Original**	**Final**	**Actual Amounts GAAP Basis**	**Favorable (Unfavorable)**
General Government				
Salaries				
Mayor and Aldermen	73,700	80,400	80,400	-
Clerical	170,000	160,000	160,151	(151)
Janitorial	27,000	26,000	24,835	1,165
Museum	6,000	-	-	-
Attorney	5,300	5,300	5,200	100
Benefits				
Health Insurance	140,000	115,000	108,466	6,534
Retirement	50,000	52,000	40,052	11,948
Payroll Taxes	80,000	90,000	80,364	9,636
Bad Debt	-	9,100	9,052	48
General and Administrative	3,500	6,000	4,675	1,325
Insurance	229,000	240,000	194,021	45,979
Other Operating				
Aldermen Travel	5,400	1,000	381	619
Assessor Tax Roll	2,000	-	-	-
Computer Expense	20,000	7,500	4,412	3,088
Coroner's Fees	7,000	20,000	18,467	1,533
Council on Aging	3,000	2,400	2,200	200
Dues and Subscription	5,000	3,000	1,935	1,065
Mayor's Expense	4,000	4,000	3,352	648
Meeting and Travel Expense	13,200	9,200	9,429	(229)
Miscellaneous	79,500	110,500	100,824	9,676
Museum	5,000	5,000	725	4,275
Promotion	100	100	-	100
Uniforms	1,500	1,500	-	1,500
Zoning	2,000	2,500	1,060	1,440
Professional Fees	250,000	230,000	194,776	35,224
Rent - Community Center	-	-	-	-
Repairs and Maintenance				
City Hall	15,000	5,000	650	4,350
Civic Center	10,000	2,000	520	1,480
Community Center	-	100	31	69
Council on Aging	3,000	1,500	399	1,101
Health Unit	2,000	2,000	381	1,619
Martin Luther King Park	8,000	1,000	103	897
Museum	20,000	3,000	1,384	1,616
Supplies	20,000	10,000	7,930	2,070
Telephone	20,500	18,000	13,564	4,436
Utilities				
City Hall	9,000	7,000	5,721	1,279
Civic Center	9,000	8,700	7,788	912
Commodity Center	-	-	-	-
Council on Aging	9,000	9,000	8,048	952
Health Unit	5,000	5,500	4,514	986
Martin Luther King Park	1,200	1,200	619	581
Museum	12,000	10,000	7,725	2,275
Total General Government	1,325,900	1,264,500	1,104,154	160,346

(Continued)

See independent auditor's report.

Schedule 2

TOWN OF KENTWOOD

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) TO ACTUAL GENERAL FUND - DETAIL (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual Amounts	Variance Favorable
	Original	Final	GAAP Basis	(Unfavorable)
Public Safety:				
Police				
Salaries	630,200	659,200	615,551	43,649
Benefits - Retirement	181,000	162,700	157,883	4,817
Fuel	50,000	51,500	40,634	10,866
General and Administrative	7,000	1,500	510	990
Insurance - Workers Compensation	47,000	31,000	24,151	6,849
Other operating				
Court Attendance	200	-	-	-
Housing Prisoners	2,000	2,000	792	1,208
Miscellaneous	43,800	42,500	53,673	(11,173)
Office Expense	4,500	-	-	-
Schools and Seminars	15,000	3,000	2,326	674
Uniforms	17,000	19,000	18,146	854
Repairs and Maintenance	50,000	60,000	78,053	(18,053)
Supplies	35,000	11,000	11,079	(79)
Telephone	4,000	2,100	1,912	188
Total Police	1,086,700	1,045,500	1,004,710	40,790
Fire				
Salaries	107,000	71,300	47,669	23,631
Benefits - Retirement	21,500	95,500	90,442	5,058
Fuel	1,800	2,664	2,751	(87)
General and Administrative	1,000	1,000	-	1,000
Insurance - Workers Compensation	11,300	14,500	15,483	(983)
Other operating	22,700	77,236	70,509	6,727
Repairs and Maintenance - Fire Truck	20,000	-	2,385	(2,385)
Telephone	5,000	-	-	-
Total Fire	190,300	262,200	229,239	32,961
Total Public Safety	1,277,000	1,307,700	1,233,949	73,751

(Continued)

See independent auditor's report.

Schedule 2

TOWN OF KENTWOOD

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) TO ACTUAL GENERAL FUND - DETAIL (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual Amounts	Variance Favorable
	Original	Final	GAAP Basis	(Unfavorable)
Public Works - Streets and Sanitation				
Salaries	156,000	160,000	164,313	(4,313)
Benefits	46,000	61,000	50,972	10,028
Fuel	22,000	28,000	27,612	388
Garbage Collection	280,000	285,000	274,774	10,226
Insurance - Workers Compensation	16,000	18,000	13,504	4,496
Other operating	11,500	10,500	3,681	6,819
Repairs and Maintenance				
Equipment	40,000	20,000	16,738	3,262
Street and Bridge	1,000	1,000	420	580
Tree	10,000	10,000	4,250	5,750
Supplies	28,000	20,000	14,142	5,858
Utilities - Street Lights	140,000	130,000	127,782	2,218
Total Public Works - Streets and Sanitation	750,500	743,500	698,188	45,312
Health and Welfare				
Other operating	6,600	6,600	6,594	6
Total Health and Welfare	6,600	6,600	6,594	6
Recreation				
Other operating	12,000	-	-	-
Utilities	9,500	-	-	-
Total Recreation	21,500	-	-	-
Capital Outlays				
General Government	20,000	20,000	294,998	(274,998)
Public Safety - Police Protection	110,000	95,000	76,914	18,086
Public Safety - Fire Protection	100,000	55,000	39,393	15,607
Public Works - Streets and Sanitation	100,000	10,000	-	10,000
Recreation	4,000	300,000	-	300,000
Total Capital Outlays	334,000	480,000	411,305	68,695
Debt Service				
Principal	23,350	22,700	23,325	(625)
Interest	2,500	3,100	2,488	612
Total Debt Service	25,850	25,800	25,813	(13)
Excess Revenues (Expenditures)	(1,495,450)	(1,302,700)	(921,407)	381,293
Other Financing Sources (Uses)				
Operating Transfers In	1,495,450	1,302,700	1,302,693	(7)
Total Other Financing Sources (Uses)	1,495,450	1,302,700	1,302,693	(7)
Net Change in Fund Balances	-	-	381,286	381,286
Fund Balances, Beginning	2,060,312	2,407,988	2,407,988	-
Fund Balances, Ending	$ 2,060,312	$ 2,407,988	$ 2,789,274	$ 381,286

See independent auditor's report.

Schedule 3

TOWN OF KENTWOOD

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) TO ACTUAL SPECIAL REVENUE FUND -
KENTWOOD VOLUNTEER FIRE DEPARTMENT

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual Amounts	Variance Favorable
	Original	**Final**	**GAAP Basis**	**(Unfavorable)**
Revenues				
Ad Valorem Taxes	$ 715,000	$ -	$ -	$ -
Intergovernmental				
Ad Valorem Taxes-Village of Tangipahoa	-	-	-	-
Fire Insurance Rebate	62,000	-	-	-
Federal Grant - FEMA	-	-	-	-
State Grant - LA Forestry	10,800	-	-	-
State Revenue Sharing	54,000	-	-	-
Interest	52,000	-	-	-
Miscellaneous	14,000	-	-	-
Total Revenues	907,800	-	-	-
Expenditures				
Public Safety:				
Fire				
Salaries				
Fire Chief	7,800	-	-	-
Firefighters	180,000	-	-	-
Maintenance	-	-	-	-
Benefits	79,000	-	-	-
Payroll Taxes	17,000	-	-	-
Fuel	19,000	-	-	-
Insurance	174,600	-	-	-
Other Operating				
Dues and Subscriptions	16,100	-	-	-
Office	1,442	-	-	-
Miscellaneous	7,900	-	-	-
Public Education	2,600	-	-	-
Training and Tuition	3,200	-	-	-
Volunteer Firemen Expense	16,500	-	-	-
Professional Fees	3,100	-	-	-
Repairs and Maintenance	125,200	-	-	-
Supplies	51,500	-	-	-
Telephone	7,700	-	-	-
Utilities	22,600	-	-	-
Total Public Safety - Fire	735,242	-	-	-
Capital Outlays - Fire Protection	258,000	-	-	-
Total Expenditures	993,242	-	-	-
Excess Revenues (Expenditures)	(85,442)	-	-	-
Other Financing Sources (Uses)				
Operating Transfers (Out)	-	(1,449,449)	(1,449,449)	-
Proceeds from Insurance Settlement	-	-	-	-
Total Other Financing Sources (Uses)	-	(1,449,449)	(1,449,449)	-
Net Change in Fund Balances	(85,442)	(1,449,449)	(1,449,449)	-
Fund Balances, Beginning	1,379,341	1,449,449	1,449,449	-
Fund Balances, Ending	$ 1,293,899	$ -	$ -	$ -

See independent auditor's report.

Schedule 4

TOWN OF KENTWOOD

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) TO ACTUAL SPECIAL REVENUE FUND 2 - LHFA FUND

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual Amounts	Variance Favorable
	Original	**Final**	**GAAP Basis**	**(Unfavorable)**
Revenues				
Rental Income	$ 16,000	$ 9,600	$ 9,600	$ -
Interest	4,000	5,000	4,452	(548)
Total Revenues	20,000	14,600	14,052	(548)
Expenditures				
General and Administrative	100	100	-	100
Insurance	10,000	11,000	6,873	4,127
Repairs and Maintenance	2,000	2,000	378	1,622
Utilities	1,200	1,200	646	554
Total Expenditures	13,300	14,300	7,897	6,403
Excess Revenues (Expenditures)	6,700	300	6,155	5,855
Net Change in Fund Balances	6,700	300	6,155	5,855
Fund Balances, Beginning	111,494	115,035	115,035	-
Fund Balances, Ending	$ 118,194	$ 115,335	$ 121,190	$ 5,855

See independent auditor's report.

Schedule 5

TOWN OF KENTWOOD

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) TO ACTUAL SPECIAL REVENUE FUND 3 - RECREATION AD VALOREM

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual Amounts	Variance Favorable
	Original	Final	GAAP Basis	(Unfavorable)
Revenues				
Ad Valorem Taxes	$ 129,000	$ 105,000	$ 150,325	$ 45,325
Federal Grant	-	-	-	-
Interest	-	14,400	11,823	(2,577)
Miscellaneous	1,000	-	-	-
Total Revenues	130,000	119,400	162,148	42,748
Expenditures				
Recreation	68,000	31,000	29,608	1,392
Capital Outlays	111,500	-	-	-
Total Expenditures	179,500	31,000	29,608	1,392
Excess Revenues (Expenditures)	(49,500)	88,400	132,540	44,140
Other Financing Sources (Uses)				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	(85,000)	(85,000)	(85,000)	-
Total Other Financing Sources (Uses)	(85,000)	(85,000)	(85,000)	-
Net Change in Fund Balances	(134,500)	3,400	47,540	44,140
Fund Balances, Beginning	328,384	607,162	607,162	-
Fund Balances, Ending	$ 193,884	$ 610,562	$ 654,702	$ 44,140

See independent auditor's report.

Schedule 6.1

TOWN OF KENTWOOD

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY - MERS PLAN B

LAST 10 FISCAL YEARS*

Municipal Employees' Retirement System

	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Position Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.783284%	$ 649,271	$ 591,736	109.723086%	63.337630%
2017	0.822505%	$ 711,658	$ 625,078	113.851071%	62.493982%
2018	0.755789%	$ 639,270	$ 584,323	109.403532%	65.598132%
2019	0.614286%	$ 537,386	$ 469,974	114.343772%	66.138762%
2020	0.548960%	$ 497,482	$ 466,550	106.629943%	66.260712%
2021	0.539468%	$ 312,518	$ 412,525	75.757348%	79.136289%
2022	0.535363%	$ 470,040	$ 427,161	110.038143%	69.555565%
2023	0.436981%	$ 350,398	$ 375,071	93.421779%	73.253562%
2024	0.470548%	$ 285,516	$ 428,749	66.592808%	80.099880%
2025	0.452925%	$ 216,539	$ 433,329	49.971038%	84.905946%

* The amounts presented for each fiscal year were determined as of 6/30 within the fiscal year.

See independent auditor's report.

Schedule 6.2

TOWN OF KENTWOOD

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY - MPERS

LAST 10 FISCAL YEARS*

Municipal Police Employees' Retirement System

	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Position Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.021724%	$ 203,615	$ 86,564	235.219029%	66.0422%
2017	0.035481%	$ 309,764	$ 170,900	181.254535%	70.0815%
2018	0.043937%	$ 371,446	$ 131,275	282.952580%	71.8871%
2019	0.035934%	$ 326,341	$ 112,218	290.809852%	71.0078%
2020	0.021617%	$ 199,791	$ 75,453	264.788676%	70.9450%
2021	0.029554%	$ 157,539	$ 90,289	174.483049%	84.0881%
2022	0.027385%	$ 279,923	$ 84,542	331.105759%	70.7991%
2023	0.033216%	$ 350,926	$ 112,526	311.862147%	71.3030%
2024	0.043205%	$ 391,436	$ 139,024	281.560018%	75.8402%
2025	0.033541%	$ 231,637	$ 125,739	184.220488%	81.9406%

* The amounts presented for each fiscal year were determined as of 6/30 within the fiscal year.

See independent auditor's report.

Schedule 6.3

TOWN OF KENTWOOD

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY - FRS

LAST 10 FISCAL YEARS*

State of Louisiana Firefighters' Retirement System

	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Position Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.015281%	$ 99,952	$ 55,187	181.115118%	68.16%
2017	0.026933%	$ 154,376	$ 57,895	266.648243%	73.55%
2018	0.029576%	$ 170,123	$ 61,449	276.852349%	74.76%
2019	0.029542%	$ 184,989	$ 71,399	259.091864%	73.96%
2020	0.038374%	$ 265,991	$ 95,250	279.255643%	72.61%
2021	0.053453%	$ 189,430	$ 134,379	140.966967%	86.78%
2022	0.066149%	$ 466,436	$ 169,650	274.940414%	74.68%
2023	0.056541%	$ 369,032	$ 153,380	240.599817%	77.69%
2024	0.039610%	$ 223,060	$ 113,843	195.936268%	81.68%
2025	0.035944%	$ 151,399	$ 110,935	136.475696%	86.96%

* The amounts presented for each fiscal year were determined as of 6/30 within the fiscal year.

See independent auditor's report.

Schedule 7.1

TOWN OF KENTWOOD

SCHEDULE OF THE TOWN'S CONTRIBUTIONS - MERS PLAN B

FOR THE YEAR ENDED DECEMBER 31, 2025

Municipal Employees' Retirement System

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2016	$ 61,823	$ 61,823	$ -	$ 610,624	10.1246%
2017	71,707	71,707	-	622,325	11.5224%
2018	69,767	69,767	-	511,342	13.6439%
2019	60,814	60,814	-	440,096	13.8183%
2020	62,534	62,534	-	457,198	13.6777%
2021	67,920	67,920	-	438,971	15.4725%
2022	60,932	67,556	(6,624)	393,111	17.1850%
2023	57,408	57,911	(503)	370,374	15.6358%
2024	69,916	69,916	-	474,299	14.7409%
2025	54,871	54,871	-	399,292	13.7421%

See independent auditor's report.

Schedule 7.2

TOWN OF KENTWOOD

SCHEDULE OF THE TOWN'S CONTRIBUTIONS - MPERS

FOR THE YEAR ENDED DECEMBER 31, 2025

Municipal Police Employees' Retirement System

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2016	$ 28,611	$ 28,611	$ -	$ 103,632	27.6083%
2017	40,564	40,564	-	162,807	24.9154%
2018	38,628	38,628	-	99,978	38.6365%
2019	28,223	28,223	-	87,254	32.3458%
2020	25,008	25,008	-	66,770	37.4539%
2021	31,464	31,464	-	99,305	31.6842%
2022	25,637	25,637	-	83,635	30.6536%
2023	44,787	44,787	-	136,917	32.7111%
2024	44,119	44,119	-	126,953	34.7522%
2025	45,968	45,968	-	133,318	34.4800%

See independent auditor's report.

Schedule 7.3

TOWN OF KENTWOOD

SCHEDULE OF THE TOWN'S CONTRIBUTIONS - FRS

FOR THE YEAR ENDED DECEMBER 31, 2025

State of Louisiana Firefighters' Retirement System

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2016	$ 13,700	$ 13,700	$ -	$ 58,300	23.4991%
2017	17,164	17,164	-	59,721	28.7403%
2018	18,748	18,748	-	70,692	26.5207%
2019	21,672	21,672	-	80,171	27.0322%
2020	33,093	33,093	-	109,740	30.1558%
2021	52,971	52,971	-	161,107	32.8794%
2022	57,670	58,167	(497)	172,178	33.7830%
2023	41,700	41,700	-	125,413	33.2501%
2024	36,456	36,456	-	109,643	33.2497%
2025	52,152	52,152	-	156,848	33.2500%

See independent auditor's report.

TOWN OF KENTWOOD

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2025

Pension Plan Schedules - Municipal Employees' Retirement System

A. Changes of Benefit Terms

There were no changes in benefit terms during any of the years presented.

B. Changes of Assumptions

Fiscal Year Ended December 31,	Measurement Date - June 30,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase
2016	2016	7.500%	7.500%	2.875%	4	5.00%
2017	2017	7.400%	7.400%	2.775%	4	5.00%
2018	2018	7.275%	7.275%	2.600%	3	5.00%
2019	2019	7.000%	7.000%	2.500%	3	7.40% for 1-4 years of service; 4.90% for more than 4 years of service
2020	2020	6.950%	6.950%	2.500%	3	7.40% for 1-4 years of service; 4.90% for more than 4 years of service
2021	2021	6.850%	6.850%	2.500%	3	7.40% for 1-4 years of service; 4.90% for more than 4 years of service
2022	2022	6.850%	6.850%	2.500%	3	7.40% for 1-4 years of service; 4.90% for more than 4 years of service
2023	2023	6.850%	6.850%	2.500%	3	7.40% for 1-4 years of service; 4.90% for more than 4 years of service
2024	2024	6.850%	6.850%	2.500%	3	9.50% for 1-2 years of service; 4.60% for more than 2 years of service
2025	2025	6.850%	6.850%	2.500%	2	9.50% for 1-2 years of service; 4.60% for more than 2 years of service

Additionally, the following mortality tables were used to develop mortality rates:

Fiscal Year Ended December 31,	Measurement Date - June 30,	Mortality
2016	2016	RP-2000 Healthy Annuitant Sex Distinct Mortality Tables set forward 2 years for males and set forward 1 year for females projected to 2028 using scale AA for annuitants and beneficiaries; RP-2000 Employees Sex Distinct Table set back 2 years for both males and females for employees; RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females for disabled annuitants.
2017	2017	RP-2000 Healthy Annuitant Sex Distinct Mortality Tables set forward 2 years for males and set forward 1 year for females projected to 2028 using scale AA for annuitants and beneficiaries; RP-2000 Employees Sex Distinct Table set back 2 years for both males and females for employees; RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females for disabled annuitants.
2018	2018	RP-2000 Healthy Annuitant Sex Distinct Mortality Tables set forward 2 years for males and set forward 1 year for females projected to 2028 using scale AA for annuitants and beneficiaries; RP-2000 Employees Sex Distinct Table set back 2 years for both males and females for employees; RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females for disabled annuitants.
2019	2019	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for annuitants and beneficiaries; PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for employees; PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scales for disabled annuitants.
2020	2020	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for annuitants and beneficiaries; PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for employees; PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scales for disabled annuitants.
2021	2021	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for annuitants and beneficiaries; PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for employees; PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scales for disabled annuitants.
2022	2022	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for annuitants and beneficiaries; PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for employees; PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scales for disabled annuitants.
2023	2023	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for annuitants and beneficiaries; PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for employees; PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scales for disabled annuitants.
2024	2024	PubG-2010(B) Healthy Retiree Table set equal to 115% for males and females, each adjusted using their respective male and female MP2021 scales for annuitants and beneficiaries; PubG-2010(B) Employee Table set equal to 115% for males and females, each adjusted using their respective male and female MP2021 scales for employees; PubNS-2010(B) Disabled Retiree Table set equal to 115% for males and 120% for females with the full generational MP2021 scales for disabled annuitants.
2025	2025	PubG-2010(B) Healthy Retiree Table set equal to 115% for males and 120% for females, each adjusted using their respective male and female MP2021 scales for annuitants and beneficiaries; PubG-2010(B) Employee Table set equal to 115% for males and 120% for females, each adjusted using their respective male and female MP2021 scales for employees; PubNS-2010(B) Disabled Retiree Table set equal to 115% for males and 120% for females with the full generational MP2021 scales for disabled annuitants.

See independent auditor's report.

TOWN OF KENTWOOD

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2025

Pension Plan Schedules - Municipal Police Employees' Retirement System

A. Changes of Benefit Terms

There were no changes in benefit terms during any of the years presented.

B. Changes of Assumptions

Fiscal Year Ended December 31,	Measurement Date - June 30,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase
2016	2016	7.500%	7.500%	2.875%	4	9.75% for 1-2 years of service; 4.75% for 3-23 years of service; 4.25% for over 23 years of service
2017	2017	7.325%	7.325%	2.700%	4	9.75% for 1-2 years of service; 4.75% for 3-23 years of service; 4.25% for over 23 years of service
2018	2018	7.200%	7.200%	2.600%	4	9.75% for 1-2 years of service; 4.75% for 3-23 years of service; 4.25% for over 23 years of service
2019	2019	7.125%	7.125%	2.500%	4	9.75% for 1-2 years of service; 4.75% for 3-23 years of service; 4.25% for over 23 years of service
2020	2020	6.950%	6.950%	2.500%	4	12.30% for 1-2 years of service; 4.70% for over 2 years of service
2021	2021	6.750%	6.750%	2.500%	4	12.30% for 1-2 years of service; 4.70% for over 2 years of service
2022	2022	6.750%	6.750%	2.500%	4	12.30% for 1-2 years of service; 4.70% for over 2 years of service
2023	2023	6.750%	6.750%	2.500%	4	12.30% for 1-2 years of service; 4.70% for over 2 years of service
2024	2024	6.750%	6.750%	2.500%	4	12.30% for 1-2 years of service; 4.70% for over 2 years of service
2025	2025	6.750%	6.750%	2.500%	4	13.00% for 1-2 years of service; 4.75% for over 2 years of service

Additionally, the following mortality tables were used to develop mortality rates:

Fiscal Year Ended December 31,	Measurement Date - June 30,	Mortality
2016	2016	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries; RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants; RP-2000 Employee Table set back 4 years for males and 3 years for females for active employees.
2017	2017	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries; RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants; RP-2000 Employee Table set back 4 years for males and 3 years for females for active employees.
2018	2018	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries; RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants; RP-2000 Employee Table set back 4 years for males and 3 years for females for active employees.
2019	2019	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries; RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants; RP-2000 Employee Table set back 4 years for males and 3 years for females for active employees.
2020	2020	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Health Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for annuitants and beneficiaries; Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for disabled annuitants; Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for active employees.
2021	2021	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Health Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for annuitants and beneficiaries; Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for disabled annuitants; Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for active employees.
2022	2022	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Health Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for annuitants and beneficiaries; Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for disabled annuitants; Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for active employees.
2023	2023	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Health Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for annuitants and beneficiaries; Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for disabled annuitants; Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for active employees.
2024	2024	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Health Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for annuitants and beneficiaries; Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for disabled annuitants; Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for active employees.
2025	2025	Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Health Retirees multiplied by 125% for males and females, each with full generational projection using the MP2021 scale was used for annuitants and beneficiaries; Pub-2160 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 125% for males and females, each with full generational projection using the MP2021 scale was used for disabled annuitants; Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 125% for males and females, each with full generational projection using the MP2021 scale was used for active employees.

See independent auditor's report.

Pension Plan Schedules - State of Louisiana Firefighters' Retirement System

A. Changes of Benefit Terms

There were no changes in benefit terms during any of the years presented.

B. Changes of Assumptions

Fiscal Year Ended December 31,	Measurement Date - June 30,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase
2016	2016	7.500%	7.500%	2.875%	7	Vary from 15.00% in first two years of service to 4.75% with 25 or more years of service
2017	2017	7.400%	7.400%	2.775%	7	Vary from 15.00% in first two years of service to 4.75% with 25 or more years of service
2018	2018	7.300%	7.300%	2.700%	7	Vary from 15.00% in first two years of service to 4.75% with 25 or more years of service
2019	2019	7.150%	7.150%	2.500%	7	Vary from 14.75% in first two years of service to 4.50% with 25 or more years of service
2020	2020	7.000%	7.000%	2.500%	7	14.10% in first two years of service; 5.20% with 3 or more years of service
2021	2021	6.900%	6.900%	2.500%	7	14.10% in first two years of service; 5.20% with 3 or more years of service
2022	2022	6.900%	6.900%	2.500%	7	14.10% in first two years of service; 5.20% with 3 or more years of service
2023	2023	6.900%	6.900%	2.500%	7	14.10% in first two years of service; 5.20% with 3 or more years of service
2024	2024	6.900%	6.900%	2.500%	7	14.10% in first two years of service; 5.20% with 3 or more years of service
2025	2025	6.900%	6.900%	2.500%	7	14.50% in first two years of service; 5.00% with 3 or more years of service

Additionally, the following mortality tables were used to develop mortality rates:

Fiscal Year Ended December 31,	Measurement Date - June 30,	Mortality
2016	2016	The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2009 through June 30, 2014 and review of similar law enforcement mortality. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables.
2017	2017	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 by Scale AA were selected for active employees, healthy annuitants, and beneficiaries; RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants.
2018	2018	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 by Scale AA were selected for active employees, healthy annuitants, and beneficiaries; RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants.
2019	2019	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 by Scale AA were selected for active employees, healthy annuitants, and beneficiaries; RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants.
2020	2020	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for active employees; Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Health Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for annuitants and beneficiaries; Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for disabled annuitants.
2021	2021	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for active employees; Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Health Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for annuitants and beneficiaries; Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for disabled annuitants.
2022	2022	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for active employees; Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Health Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for annuitants and beneficiaries; Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for disabled annuitants.
2023	2023	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for active employees; Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Health Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for annuitants and beneficiaries; Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for disabled annuitants.
2024	2024	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for active employees; Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Health Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for annuitants and beneficiaries; Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for disabled annuitants.
2025	2025	Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 110% for males females, each with full generational projection using the MP2021 scale was used for active employees; Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Health Retirees multiplied by 110% for males females, each with full generational projection using the MP2021 scale was used for annuitants and beneficiaries; Pub-2016 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 110% for males and females, each with full generational projection using the MP2021 scale was used for disabled annuitants.

See independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF KENTWOOD

SCHEDULE OF NET POSITION
PROPRIETARY FUND TYPE - UTILITY FUND

AS OF DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2024)

	Utility Fund	
	2025	2024
Assets		
Current Assets:		
Cash and Cash Equivalents	$ 1,688,668	$ 1,185,370
Receivables, Net		
Accounts	338,188	375,659
Intergovernmental	24,900	250,050
Lease Receivable	123,357	119,413
Other	5,510	7,620
Due From Other Funds	57,707	14,076
Inventory	15,974	10,344
Prepaid Insurance	984	984
Total Current Assets	2,255,288	1,963,516
Noncurrent Assets:		
Restricted Assets:		
Restricted Cash and Cash Equivalents	243,954	236,239
Total Restricted Assets	243,954	236,239
Receivables:		
Lease Receivable	1,562,565	1,685,922
Total Receivables	1,562,565	1,685,922
Property, Plant, and Equipment		
Land	1,622,600	1,622,600
Construction in Progress	-	1,594,092
Property, Plant and Equipment, Net	6,641,156	4,391,566
Total Property, Plant, and Equipment	8,263,756	7,608,258
Total Noncurrent Assets	10,070,275	9,530,419
Total Assets	12,325,563	11,493,935
Deferred Outflows of Resources		
Pension Related	9,777	16,540
Total Deferred Outflows of Resources	9,777	16,540
Liabilities		
Current Liabilities (Payable From Current Assets):		
Accounts Payable	94,315	50,867
Other Accrued Payables	6,106	11,717
Construction Payables	-	685,644
Intergovernmental Note Payable	12,500	12,500
Due To Other Funds	1,735,447	571,596
Unearned Revenue	-	15,000
Compensated Absences Payable	2,939	3,719
Total Current Liabilities (Payable From Current Assets)	1,851,307	1,351,043
Current Liabilities (Payable From Restricted Assets):		
Customer Deposits	146,546	146,926
Revenue Bonds Payable	145,315	151,775
Total Current Liabilities (Payable From Restricted Assets)	291,861	298,701
Long Term Liabilities:		
Bonds Payable	1,535,793	1,694,044
Net Pension Liability	74,464	93,778
Intergovernmental Note Payable	67,708	80,208
Compensated Absences Payable	5,208	7,501
Total Long Term Liabilities	1,683,173	1,875,531
Total Liabilities	3,826,341	3,525,275
Deferred Inflows of Resources		
Pension Related	20,363	24,631
Lease Related	1,562,966	1,706,138
Total Deferred Inflows of Resources	1,583,329	1,730,769
Net Position		
Net Investment in Capital Assets	6,647,825	5,141,972
Restricted for:		
Debt Service	32,231	24,136
Unrestricted	245,614	1,088,323
Total Net Position	$ 6,925,670	$ 6,254,431

See independent auditor's report.

TOWN OF KENTWOOD

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

PROPRIETARY FUND TYPE - UTILITY FUND

FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024)

	Utility Fund	
	2025	**2024**
Operating Revenues		
Gas Sales	$ 1,132,708	$ 961,862
Less Cost of Gas Sold	(247,607)	(184,355)
Gross Profit on Gas Sales	885,101	777,507
Water Sales	665,851	620,938
Sewer Service Charges	583,025	579,432
Intergovernmental -Pension Paid by Others	4,894	4,322
Lease Rental Income	143,172	143,172
Other	87,041	103,817
Total Operating Revenues	2,369,084	2,229,188
Operating Expenses		
Bad Debts	20,896	4,135
Cathodic Protection	2,931	8,398
Depreciation	297,504	281,108
Employee Benefits	40,534	64,221
Insurance - Workers Compensation	4,432	7,628
Other	39,582	46,857
Professional Fees	227,246	225,583
Repairs and Maintenance	87,430	171,236
Salaries and Wages	111,871	179,000
Supplies	157,158	125,896
Utilities	158,106	148,146
Water Treatment	204,074	169,007
Total Operating Expenses	1,351,764	1,431,215
Operating Income (Loss)	1,017,320	797,973
Nonoperating Revenues (Expenses)		
Gain (Loss) on Sale of Assets	-	10,000
Grants - Federal	858,385	581,962
Intergovernmental - State Grants	-	11,251
Interest Income	104,055	74,823
Interest Expense	(77,029)	(77,666)
Other Income	71,201	-
Total Nonoperating Revenues (Expenses)	956,612	600,370
Income (Loss) Before Transfers	1,973,932	1,398,343
Contributions and Transfers		
Operating Transfers In	-	441,919
Operating Transfers Out	(1,302,693)	(1,541,353)
Change in Net Position	671,239	298,909
Total Net Position, Beginning	6,254,431	5,955,522
Total Net Position, Ending	$ 6,925,670	$ 6,254,431

See independent auditor's report.

TOWN OF KENTWOOD

SCHEDULE OF CASH FLOWS
PROPRIETARY FUND TYPE - UTILITY FUND

FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024)

	Utility Fund	
	2025	**2024**
Cash Flows From Operating Activities		
Received From Customers	$ 2,538,468	$ 2,346,073
Received (Payments) for Meter Deposit Fees	(380)	(647)
Other Receipts	93,744	176,546
Received (Payments) for Interfund Services	1,120,220	1,093,631
Payments for Operations	(1,129,619)	(1,110,669)
Payments to Employees	(171,715)	(247,332)
Net Cash Provided (Used) by Operating Activities	2,450,718	2,257,602
Cash Flows From Noncapital Financing Activities		
Transfers From (To) Other Funds	(1,302,693)	(1,099,434)
Recovery of Bad Debt	6,576	-
Lease Interest Received	52,878	56,424
Principal Proceeds from (Repayments for) Note Payable	(12,500)	(12,500)
Receipt of Grants	-	11,251
Net Cash (Used) by Noncapital Financing Activities	(1,255,739)	(1,044,259)
Cash Flows From Capital and Related Financing Activities		
Proceeds from Disposal of Capital Acquisitions	-	10,000
(Payments for) Capital Acquisitions	(1,632,406)	(860,320)
Receipt of Grants	1,083,535	581,962
Principal Proceeds from (Repayments for) Long Term Debt	(164,711)	(145,564)
Interest Payments for Long Term Debt	(80,247)	(80,552)
Net Cash Provided (Used) by Capital and Related Financing Activities	(793,829)	(494,474)
Cash Flows From Investing Activities		
Receipt of Interest	51,478	18,728
Receipt of Insurance	58,385	-
Net Cash Provided by Investing Activities	109,863	18,728
Net Cash Increase (Decrease) in Cash and Cash Equivalents	511,013	737,597
Cash and Cash Equivalents, Beginning of Year	1,421,609	684,012
Cash and Cash Equivalents, End of Year	$ 1,932,622	$ 1,421,609
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:		
Cash and Cash Equivalents, Unrestricted	$ 1,688,668	$ 1,185,370
Cash and Cash Equivalents, Restricted	243,954	236,239
Total Cash and Cash Equivalents	$ 1,932,622	$ 1,421,609

(Continued)

See independent auditor's report.

TOWN OF KENTWOOD

SCHEDULE OF CASH FLOWS
PROPRIETARY FUND TYPE - UTILITY FUND (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024)

	Utility Fund	
	2025	**2024**
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	$ 1,017,320	$ 797,973
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	297,504	281,108
(Increase) decrease in Accounts Receivable	37,471	56,028
(Increase) decrease in Other Receivable	(2,135)	61,808
(Increase) decrease in Inventory	(5,630)	2,787
(Increase) decrease in Prepaid Insurance	-	(39)
(Increase) decrease in Noncurrent Receivables	123,357	119,413
(Increase) decrease in Deferred Outflows of Resources	6,763	8,188
(Increase) decrease in Due (to) and from Other Funds	1,120,220	1,093,631
Increase (decrease) in Accounts Payable	40,473	(22,176)
Increase (decrease) in Compensated Absences	(3,073)	6,259
Increase (decrease) in Accrued Expenses	(33,732)	(514)
Increase (decrease) in Deferred Inflows of Resources	(147,440)	(146,217)
Increase (decrease) in Customer Deposits	(380)	(647)
Net Cash Provided (Used) by Operating Activities	$ 2,450,718	$ 2,257,602

See independent auditor's report.

TOWN OF KENTWOOD

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE, UTILITY FUND

FOR THE YEAR ENDED DECEMBER 31, 2025

	Gas	Water	Sewer	Nursing Home Property	Total
Operating Revenues					
Gas Sales	$ 1,132,708	$ -	$ -	$ -	$ 1,132,708
Less Cost of Gas Sold	(247,607)	-	-	-	(247,607)
Gross Profit on Gas Sales	885,101	-	-	-	885,101
Water Sales	-	665,851	-	-	665,851
Sewer Service Charges	-	-	583,025	-	583,025
Intergovernmental - Pension Paid by Others	1,247	2,679	968	-	4,894
Lease Rental Income	-	-	-	143,172	143,172
Other	19,093	48,034	19,914	-	87,041
Total Operating Revenues	905,441	716,564	603,907	143,172	2,369,084
Operating Expenses					
Bad Debts	6,778	6,777	6,777	564	20,896
Cathodic Protection	2,931	-	-	-	2,931
Depreciation	16,853	146,159	115,568	18,924	297,504
Employee Benefits	11,019	16,113	13,402	-	40,534
Insurance - Workers Compensation	2,277	1,857	298	-	4,432
Other	14,896	19,122	5,329	235	39,582
Professional Fees	180,859	5,373	41,014	-	227,246
Repairs and Maintenance	5,290	22,884	47,071	12,185	87,430
Salaries and Wages	73,989	36,821	1,061	-	111,871
Supplies	22,814	116,595	17,749	-	157,158
Utilities	-	92,010	20,376	45,720	158,106
Water Treatment	-	204,074	-	-	204,074
Total Operating Expenses	337,706	667,785	268,645	77,628	1,351,764
Operating Income (Loss)	567,735	48,779	335,262	65,544	1,017,320
Nonoperating Revenues (Expenses)					
Grants - Federal	-	858,385	-	-	858,385
Intergovernmental - State Grants	-	-	-	-	-
Interest Income	14,064	12,723	11,235	66,033	104,055
Interest Expense	-	(77,029)	-	-	(77,029)
Other Income	-	12,816	58,385	-	71,201
Total Nonoperating Revenues (Expenses)	14,064	806,895	69,620	66,033	956,612
Income (Loss) Before Transfers	581,799	855,674	404,882	131,577	1,973,932
Contributions and Transfers					
Operating Transfers Out	(521,080)	(521,073)	(260,540)	-	(1,302,693)
Change in Net Position	60,719	334,601	144,342	131,577	671,239
Total Net Position, Beginning					6,254,431
Total Net Position, Ending					$ 6,925,670

See independent auditor's report.

Schedule 12

TOWN OF KENTWOOD

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET (GAAP BASIS) AND ACTUAL, PROPRIETARY FUND TYPE, GAS UTILITY SYSTEM

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues			
Gas Sales	$ 1,200,000	$ 1,132,708	$ (67,292)
Less Cost of Gas Sold	(250,000)	(247,607)	2,393
Gross Profit on Gas Sales	950,000	885,101	(64,899)
Intergovernmental - Pension Paid by Others	1,000	1,247	247
Other:			
Bad Debt Recoveries	500	-	(500)
Miscellaneous	8,600	2,451	(6,149)
Penalties	19,500	16,642	(2,858)
Total Operating Revenues	979,600	905,441	(74,159)
Operating Expenses			
Bad Debts	2,500	6,778	(4,278)
Cathodic Protection	3,000	2,931	69
Depreciation	17,000	16,853	147
Employee Benefits:			
Health Insurance	10,000	474	9,526
Life Insurance	450	-	450
Payroll Taxes	4,420	5,327	(907)
Retirement	7,000	5,218	1,782
Insurance	4,790	2,277	2,513
Other:			
Computer Expenses	1,000	-	1,000
Drug Testing	500	-	500
Gas Leak Survey	1,100	1,022	78
Gas Operator Certification	3,000	-	3,000
Fuel	1,700	1,553	147
Meter Reading	7,200	6,589	611
Miscellaneous	8,570	5,228	3,342
Office Expense	500	504	(4)
Professional Fees	180,860	180,859	1
Repairs and Maintenance	6,200	5,290	910
Salaries and Wages	64,000	73,989	(9,989)
Supplies	22,760	22,814	(54)
Total Operating Expenses	346,550	337,706	8,844
Operating Income (Loss)	633,050	567,735	(65,315)
Nonoperating Revenues (Expenses)			
Interest Income	16,250	14,064	(2,186)
Total Nonoperating Revenues (Expenses)	16,250	14,064	(2,186)
Income (Loss) Before Transfers	649,300	581,799	(67,501)
Transfers			
Operating Transfers Out	(521,080)	(521,080)	-
Change in Net Position	$ 128,220	$ 60,719	$ (67,501)

See independent auditor's report.

Schedule 13

TOWN OF KENTWOOD

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET (GAAP BASIS) AND ACTUAL, PROPRIETARY FUND TYPE, WATER UTILITY SYSTEM

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues			
Water Sales	$ 649,600	$ 665,851	$ 16,251
Intergovernmental - Pension Paid by Others	1,600	2,679	1,079
Other:			
Delinquent Charges	19,500	19,910	410
Miscellaneous	11,300	15,773	4,473
Safe Drinking Water Fee	12,500	12,351	(149)
Total Operating Revenues	694,500	716,564	22,064
Operating Expenses			
Bad Debts	1,070	6,777	(5,707)
Depreciation	146,100	146,159	(59)
Employee Benefits:			
Health Insurance	14,830	15,347	(517)
Life Insurance	290	287	3
Payroll Taxes	4,270	3,258	1,012
Retirement	7,500	(2,779)	10,279
Insurance	1,920	1,857	63
Other:			
Computer Expenses	1,000	-	1,000
Drug Testing	100	-	100
Fuel	8,000	7,180	820
Office Expense	5,560	504	5,056
Safe Drinking Water Fee	14,310	11,438	2,872
Professional Fees	8,100	5,373	2,727
Repairs and Maintenance	17,180	22,884	(5,704)
Salaries and Wages	59,290	36,821	22,469
Supplies	119,820	116,595	3,225
Utilities - Pump Electricity	87,510	92,010	(4,500)
Water Treatment	200,000	204,074	(4,074)
Total Operating Expenses	696,850	667,785	29,065
Operating Income (Loss)	(2,350)	48,779	51,129
Nonoperating Revenues (Expenses)			
Grants - Federal	979,700	858,385	(121,315)
Interest Income	15,000	12,723	(2,277)
Interest Expense	(74,340)	(77,029)	(2,689)
Other Income	8,400	12,816	4,416
Total Nonoperating Revenues (Expenses)	928,760	806,895	(121,865)
Income (Loss) Before Transfers	926,410	855,674	(70,736)
Contributions and Transfers			
Operating Transfers Out	(521,080)	(521,073)	7
Change in Net Position	$ 405,330	$ 334,601	$ (70,729)

See independent auditor's report.

Schedule 14

TOWN OF KENTWOOD

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET (GAAP BASIS) AND ACTUAL, PROPRIETARY FUND TYPE, SEWER UTILITY SYSTEM

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues			
Sewer Charges	$ 575,000	$ 583,025	$ 8,025
Intergovernmental - Pension Paid by Others	1,600	968	(632)
Other:			
Miscellaneous	500	-	(500)
Penalties	22,000	19,914	(2,086)
Total Operating Revenues	599,100	603,907	4,807
Operating Expenses			
Bad Debts	3,500	6,777	(3,277)
Depreciation	101,100	115,568	(14,468)
Employee Benefits:			
Health Insurance	12,580	11,934	646
Life Insurance	250	246	4
Payroll Taxes	2,060	766	1,294
Retirement	2,000	456	1,544
Insurance	650	298	352
Other:			
Analysis Fee	3,000	-	3,000
Fuel	5,600	5,113	487
Office Expense	1,000	-	1,000
Other Operating Expense	-	216	(216)
Professional Fees	47,600	41,014	6,586
Repairs and Maintenance	51,420	47,071	4,349
Salaries and Wages	15,320	1,061	14,259
Supplies	9,300	17,749	(8,449)
Utilities	20,590	20,376	214
Total Operating Expenses	275,970	268,645	7,325
Operating Income (Loss)	323,130	335,262	12,132
Nonoperating Revenues (Expenses)			
Interest Income	13,500	11,235	(2,265)
Other Income	58,000	58,385	385
Total Nonoperating Revenues (Expenses)	71,500	69,620	(1,880)
Income (Loss) Before Transfers	394,630	404,882	10,252
Transfers			
Operating Transfers Out	(260,540)	(260,540)	-
Change in Net Position	$ 134,090	$ 144,342	$ 10,252

See independent auditor's report.

Schedule 15

TOWN OF KENTWOOD

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

BUDGET (GAAP BASIS) AND ACTUAL, PROPRIETARY FUND TYPE, NURSING HOME PROPERTY

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues			
Lease Rental Income	$ 171,700	$ 143,172	$ (28,528)
Total Operating Revenues	171,700	143,172	(28,528)
Operating Expenses			
Bad Debts	-	564	(564)
Depreciation	25,000	18,924	6,076
Other:			
Other Operating Expense	2,000	235	1,765
Professional Fees	-	-	-
Repairs and Maintenance	15,000	12,185	2,815
Utilities	47,000	45,720	1,280
Total Operating Expenses	89,000	77,628	11,372
Operating Income (Loss)	82,700	65,544	(17,156)
Nonoperating Revenues (Expenses)			
Interest Income	12,000	66,033	54,033
Total Nonoperating Revenues (Expenses)	12,000	66,033	54,033
Income (Loss) Before Transfers	94,700	131,577	36,877
Change in Net Position	$ 94,700	$ 131,577	$ 36,877

See independent auditor's report.

TOWN OF KENTWOOD

SCHEDULE OF UTILITY RATES
PROPRIETARY FUND TYPE

FOR THE YEAR ENDED DECEMBER 31, 2025

Sewer

Residential Rates				Commercial Rates		
$	45.00	-	Flat Monthly Rate	$	65.00	Commercial Rate 1 - Flat Monthly Rate
					275.00	Commercial Rate 2 (Schools) - Flat Rate
					650.00	Commercial Rate 3 (Nursing Home) - Flat Rate
					65.00	Commercial Rate 4 (Churches) - Flat Rate
					283.13	Commercial Rate 5 (Tourist Bureau) - Flat Rate

Water

Residential Rates				Commercial Rates		
$	47.00	-	Flat Monthly Rate	$	47.00	Commercial Rate 1 - First 5,000 Gallons (Flat Fee)
					0.75	Per 1,000 Gallons for next 55,000 Gallons
Industrial Rates					0.65	Per 1,000 Gallons for next 180,000 Gallons
	148.65	-	First 55,000 Gallons (Flat Fee)		0.50	Per 1,000 Gallons for next 260,000 Gallons
	12.57	-	Per 1,000 Gallons for next 55,000 Gallons		0.40	Per 1,000 Gallons thereafter
	1.50	-	Per 1,000 Gallons for next 180,000 Gallons		162.00	Commercial Rate 2 (Schools) - Flat Rate
	1.15	-	Per 1,000 Gallons for next 260,000 Gallons		47.00	Commercial Rate 4 (Churches) - Flat Rate
	0.80		Per 1,000 Gallons thereafter			

Gas

Residential Rates				Commercial Rates			
$	33.00	-	First 500 Cubic Feet (Flat Fee)	$	33.00	-	Commercial Rate 1 - First 500 Cubic Feet (Flat Fee)
	4.58	-	Per 100 Cubic Feet after 500		4.58	-	Per 100 Cubic Feet after 500
					7.60	-	Commercial Rate 2 (Sports Fields) - Flat Rate
Industrial Rates					1.05	-	Per 100 Cubic Feet
$	33.00	-	First 1000 Cubic Feet (Flat Fee)				
	4.58	-	Per 100 Cubic Feet after 1000				

See independent auditor's report.

Schedule 17

TOWN OF KENTWOOD

SCHEDULE OF NUMBER OF SEWER, WATER AND GAS CUSTOMERS
PROPRIETARY FUND TYPE

FOR THE YEAR ENDED DECEMBER 31, 2025

	Residential	Commercial	Total
Sewer	697	129	826
Water	837	158	995
Gas	284	52	336
Total	1,818	339	2,157

See independent auditor's report.

TOWN OF KENTWOOD

SCHEDULE OF GAS SALES AND PURCHASES
PROPRIETARY FUND TYPE - GAS UTILITY SYSTEM'

AS OF DECEMBER 31, 2025 AND 2024

	Enterprise Funds	
	2025	**2024**
Gas Sales and Purchases		
Gas Sales		
Volume mcf (Thousand Cubic Feet)	47,156	49,618
Dollar Amount	$ 1,132,708	$ 961,862
Cost of Gas Sold		
Volume mcf (Thousand Cubic Feet)	54,723	54,000
Dollar Amount	$ 247,607	$ 184,355
Gross Profit	$ 885,101	$ 777,507
Gross Profit Percentage of Sales	78%	81%
Unaccounted for Gas Purchases		
Volume mcf (Thousand Cubic Feet)	7,567	4,382
Average Cost of Unaccounted for Gas	$ 34,238	$ 14,959
Percentage of Purchases	14%	8%
Number of Customers at Year End		
In Service, Industrial	3	3
In Service, Other	333	361
Total	336	364
Average Sales Per Customer		
Volume mcf (Thousand Cubic Feet)	140	136
Dollar Amount	$ 3,371	$ 2,642
Average Sales Per Thousand Cubic Feet		
Gas Sales, Industrial	$ 17.85	$ 17.38
Gas Sales, Other	$ 29.98	$ 21.21
Gas Sales	$ 24.02	$ 19.39
Gas Purchases	$ -4.52	$ -3.41
Subtotal	$ 19.50	$ 15.98
Unaccounted for Gas Purchases	$ -0.63	$ -0.28
Gross Profit	$ 18.87	$ 15.70

See independent auditor's report.

TOWN OF KENTWOOD

SCHEDULE OF INSURANCE

FOR THE YEAR ENDED DECEMBER 31, 2025

Insurance Company / Policy Number	Coverage	Amount	Period
LA Risk Management Agency 100-1144-2025-19453	Commercial General Liability Law Enforcement Officer Errors and Omissions Automobile Liability	$ 500,000 500,000 500,000 500,000	3/20/2025 to 3/20/2026
Western Surety Company 18272062	Position Schedule	425,000	6/20/2025 to 6/20/2026
EMC Insurance Company 6A5-50-73-26	Property & Cybersolutions	10,510,642	4/13/2025 to 4/13/2026
Lane & Associates Inc. CPS8106960	Inland Marine	74,777	12/1/2025 to 12/1/2026
Risk Management Agency 70-1144-2025-19238	Workers Compensation at Statutory Limitations		11/19/2025 to 11/19/2026
Foremost Insurance Group 444-0019223612-15	Commercial Mobile Home Policy	256,750	7/13/2025 to 7/13/2026
Lloyd's London LMA2300045	Auto Physical Damage	296,910	4/15/2025 to 4/15/2026

See independent auditor's report.

TOWN OF KENTWOOD

SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS

FOR THE YEAR ENDED DECEMBER 31, 2025

Name and Title / Contact Number	Address	Compensation Received
Irma T. Gordon, Mayor (985) 229-3451	308 Avenue G Kentwood, LA 70444	$ 38,400
Gary Callihan, Council Member (985) 969-3540	406 Miller Drive Kentwood, LA 70444	8,400
Xavier Diamond, Council Member (985) 662-8664	813 Fisher Lane Kentwood, LA 70444	8,400
Michael Hall, Council Member (985) 514-5282	1103 12th Street Kentwood, LA 70444	8,400
Paul Stewart, Council Member (601) 810-2873	501 Ave F Kentwood, LA 70444	8,400
Jakoiya Wilkerson, Council Member (985) 474-9689	406 Ave F Kentwood, LA 70444	8,400
		$ 80,400

Terms end December 31, 2026 for Board Members

See independent auditor's report.

Schedule 21

TOWN OF KENTWOOD

SCHEDULE OF COMPENSATION, REIMBURSEMENTS,
BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD

FOR THE YEAR ENDED DECEMBER 31, 2025

Agency Head Name: Irma Gordon, Mayor

Purpose	**Amount**
Salary	$ 38,400
Employer Paid Medicare & Social Security	2,938
Per Diem	306
Telephone Reimbursements	504
Conference Fees	625
Mileage Reimbursements	559
Other Travel	1,229
Meals	60
Uniforms	0
Other	40
	$ 44,661

See independent auditor's report.

Schedule 22

TOWN OF KENTWOOD

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY

FOR THE YEAR ENDED DECEMBER 31, 2025

Cash Basis Presentation	**First Six Month Period Ended 6/30/2025**	**Second Six Month Period Ended 12/31/2025**
Beginning Cash Balance	$ 263	$ 263
Add: Collections		
Cash Bonds	-	-
Criminal Court Costs/Fees	623	321
Criminal Fines - Other/Non-Contempt	9,588	10,143
Probation/Parole/Supervision Fees	-	-
Subtotal Collections	10,211	10,464
Less: Amounts Retained by Collecting Agency		
Town of Kentwood, Criminal Fines - Other/Non-Contempt	9,546	10,232
Less: Disbursements to Individual and Entities, Excluding Governments and		
Civil Fee Refunds	-	-
Bond Fee Refunds	-	-
Restitution Payments to Individuals (additional detail is not required)	-	-
Other Disbursements to Individuals (additional detail is not required)	-	-
Payments to 3rd Party Collection/Processing Agencies	-	-
Less: Disbursements To Governments & Nonprofits:		
Crimestoppers of Tangipahoa, Criminal Court Cost/Fees	70	82
Florida Parishes Juvenile Justice Center, Criminal Court Cost/Fees	275	120
Louisiana Commission on Law Enforcement, Criminal Court Cost/Fees	110	47
Louisiana Commission on Law Enforcement, Probation/Parole/Supervision Fees	-	-
Louisiana Supreme Court (Judicial College), Criminal Court Cost/Fees	42	12
Dept. of Treasury, State of Louisiana -CMIS, Criminal Court Cost/Fees	168	72
Subtotal Disbursements/Retainage	10,211	10,565
Ending Cash Balance	$ 263	$ 162

Other Information:

Ending Balance of Total Amounts Assessed but not yet Collected	$ -	$ -
Total Waivers During the Fiscal Period	$ 11,081	$ 6,834

See independent auditor's report.

Minda B. Raybourn

Certified Public Accountant

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Member LCPA

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*

To the Town Council
Town of Kentwood, 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 Town of Kentwood, Louisiana, as of and for the year ended December 31, 2025 and the related notes to the financial statements, which collectively comprise Town of Kentwood, Louisiana's basic financial statements, and have issued our report thereon dated July 27, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Town of Kentwood, Louisiana's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Kentwood, Louisiana's response to the findings identified in our engagement and described in the accompanying schedule of findings and questioned costs. Town of Kentwood, Louisiana'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 audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Minda Raybourn

Minda Raybourn CPA
Franklinton, LA
July 27, 2026

TOWN OF KENTWOOD, LOUISIANA
SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025

We have audited the financial statements of the Town of Kentwood, Louisiana as of and for the year ended December 31, 2025, and have issued our report thereon dated July 27, 2026. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2025, resulted in an unmodified opinion.

Current Year Findings - Financial Statement Audit

Section I Summary of Auditor's Reports

A. Report on Compliance and Internal Control Material to the Financial Statements

Internal Control	Significant Deficiencies	No
	Material Weaknesses	No

Noncompliance Material
To the Financial Statements? Yes

B. Federal Awards	N/A
C. Management Comment Letter	N/A

Finding 2025-001 Late Filing of Report

CONDITION: The report was filed past the six-month statutory due date.

CRITERIA: Audit reports are due to the Louisiana Legislative Auditor six months after the entity's fiscal year end.

CAUSE: The report was filed in July 2026.

EFFECT: Noncompliance with the state audit law.

RECOMMENDATION: The report will be filed by the six-month deadline.

RESPONSE: We agree with the recommendation.

TOWN OF KENTWOOD, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025

There were no prior year findings.

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Town of Kentwood and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 01, 2025 through December 31, 2025. Town of Kentwood's management is responsible for those C/C areas identified in the SAUPs.

Town of Kentwood 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 January 01, 2025 through December 31, 2025 Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

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

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

No exceptions were found as a result of this procedure.

ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

No exceptions were found as a result of this procedure.

iii. ***Disbursements***, including processing, reviewing, and approving.

No exceptions were found as a result of this procedure.

iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

1, 2, and 3 are documented; 4 is not documented.

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

No exceptions were found as a result of this procedure.

xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

The Town does not have policies and procedures on information technology disaster recovery/business continuity.

xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

No exceptions were found as a result of this procedure.

2) Board or Finance Committee

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions were found as a result of this procedure.

ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds.

No exceptions were found as a result of this procedure.

iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

No exceptions were found as a result of this procedure.

iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.
No exceptions were found as a result of this procedure.

3) Bank Reconciliations

A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

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

No exceptions were found as a result of this procedure.

ii. 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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

4) Collections (excluding electronic funds transfers)

A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

A listing and management's representation were obtained.

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

i. Employees responsible for cash collections do not share cash drawers/registers;

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

iii. Each employee responsible for collecting cash is not also 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; and

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and

i. Observe that receipts are sequentially pre-numbered.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

iii. Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions were found as a result of this procedure.

iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100 and the cash is stored securely in a locked safe or drawer).

No exceptions were found as a result of this procedure.

v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions were found as a result of this procedure.

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

A. 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).

A listing and management's representation were obtained.

B. For each location selected under procedure #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

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

No exceptions were found as a result of this procedure.

ii. At least two employees are involved in processing and approving payments to vendors;

No exceptions were found as a result of this procedure.

iii. 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;

No exceptions were found as a result of this procedure.

iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

No exceptions were found as a result of this procedure.

v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exceptions were found as a result of this procedure.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

C. For each location selected under procedure #5A 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

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

No exceptions were found as a result of this procedure.

ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
No exceptions were found as a result of this procedure.

D. 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 operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*
No exceptions were found as a result of this procedure.

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

A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

A listing and management's representation were obtained.

B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

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

No exceptions were found as a result of this procedure.

ii. Observe that finance charges and late fees were not assessed on the selected statements.
No exceptions were found as a result of this procedure.

C. Using the monthly statements or combined statements selected under procedure #6B above, <u>excluding fuel cards</u>, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions were found as a result of this procedure.

D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

No exceptions were found as a result of this procedure.

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

A. 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 and 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 listing and management's representation were obtained.

i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana (doa.la.gov/doa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov);

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

iii. 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 Policies and Procedures procedure #1A(vii); and

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

8) Contracts

A. 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. *Alternatively, 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, <u>excluding the practitioner's contract</u>, and

A listing and management's representation were obtained.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

iv. 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.
No exceptions were found as a result of this procedure.

9) Payroll and Personnel

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

A listing and management's representation were obtained.

B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

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

No exceptions were found as a result of this procedure.

ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exceptions were found as a result of this procedure.

C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

10) ***Ethics***

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

One employee of the five selected did not have the ethics certificate.

ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

11) Debt Service

A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

No exceptions were found as a result of this procedure.

B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

No exceptions were found as a result of this procedure.

12) Fraud Notice

A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

No exceptions were found as a result of this procedure.

B. 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.

No exceptions were found as a result of this procedure.

13) Information Technology Disaster Recovery/Business Continuity

Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management":**

A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then 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.

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.

D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

One employee of the five selected did not have the sexual harassment training certificate.

B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

No exceptions were found as a result of this procedure

C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

i. Number and percentage of public servants in the agency who have completed the training requirements;

ii. Number of sexual harassment complaints received by the agency;

iii. Number of complaints which resulted in a finding that sexual harassment occurred;

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

v. Amount of time it took to resolve each complaint.

No exceptions were found as a result of this procedure

We were engaged by Town of Kentwood 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 Town of Kentwood 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.

Minda Raybourn

Minda Raybourn
Franklinton, LA
July 27, 2026

Written Policies and Procedures

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

Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.***1, 2, and 3 are documented; 4 is not documented.***

Information Technology Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

The Town does not have policies and procedures on information technology disaster recovery/business continuity.

Management Response: The Town will implement the policies and procedures before the end of the current fiscal year.

Ethics

Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

One employee of the five selected did not have the ethics certificate.

Management Response: We will ensure all employees obtain the required training.

Prevention of Sexual Harassment

Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

One employee of the five selected did not have the sexual harassment training certificate.

Management Response: We will ensure all employees obtain the required training.