

**TOWN OF FORDOCHE, LOUISIANA**

**FINANCIAL STATEMENTS**

December 31, 2024

# TOWN OF FORDOCHE, LOUISIANA

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## INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and  
Members of the Town Council,  
Town of Fordoche, Louisiana

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the **TOWN OF FORDOCHE, LOUISIANA (TOWN)** as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town as of December 31, 2024, 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, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards* and the *Louisiana Governmental Audit Guide* 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, *Government Auditing Standards* and the *Louisiana Governmental Audit Guide*, we:

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

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison and pension plan information on pages 4 through 11 and Exhibits B through B-4 on pages 47 through 54, 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.

### **Other Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head and the Act 87 Justice System Funding Schedule presented on pages 55 and 56 are 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 Schedule of Compensation, Benefits, and Other Payments to Agency Head and the Act 87 Justice System Funding Schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2025, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Fordoche, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Certified Public Accountants

Baton Rouge, Louisiana  
June 20, 2025

# **TOWN OF FORDOCHE, LOUISIANA**

## **MANAGEMENT’S DISCUSSION AND ANALYSIS**

Our analysis of The Town of Fordoche’s (Town) financial performance provides an overview of the Town’s financial activities for the year ended December 31, 2024. The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts. This MD&A should be read in conjunction with the financial statements which begin on Exhibit A.

### **FINANCIAL HIGHLIGHTS**

The major financial highlights for 2024 are as follows:

#### **Government-wide financial statements**

- Assets and deferred outflows of resources of the Town's primary government exceeded its liabilities and deferred inflows of resources at the close of the year by \$2.4 million (net position). Of this amount, \$705,900 (unrestricted net position) may be used without restrictions to meet the Town’s ongoing obligations to citizens.
- The primary government's total net position increased by \$526,800 during 2024. This is primarily due to an increase in grants and contributions from the American Rescue Plan Act.
- Governmental activities' net position increased by \$283,400.
- Business-type activities’ net position increased by \$243,400.

#### **General Fund financial statements**

- As of the end of the year, governmental funds reported a fund balance of \$687,300, an increase of \$345,600 in comparison to the prior year. Approximately 98% of the fund balance (\$674,700) is unassigned for purposes of meeting the government’s ongoing obligations to citizens and creditors and to be used in future operations and acquisitions of new capital assets that will improve the operations of the Town.

Significant aspects of the Town’s financial well-being, as of and for the year ended December 31, 2024, are detailed throughout this analysis.

### **USING THIS ANNUAL REPORT**

The Town’s financial statements focus on the government as a whole and on major individual funds. Both government-wide and fund perspectives allow the reader to address relevant questions, broaden a basis for comparison from year to year, and enhance the Town’s accountability.

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 12 and 13) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances.

Fund financial statements start on page 14. For governmental activities, these statements depict how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds.

The Town's accountants' have provided limited assurance in their independent accountants' review report, located immediately preceding this MD&A, as the results of procedures performed provide a reasonable basis for the conclusion, whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. Varying degrees of assurance are being provided by the reviewer regarding the Required Supplementary Information. A user of this report should read the independent accountants' review report carefully to ascertain the level of assurance being provided for each part of this report.

### **Reporting on the Town as a Whole**

The financial statements of the Town as a whole begin on page 12. The Statement of Net Position and the Statement of Activities report information about the Town as a whole and its activities in a way to determine if the Town is in better condition, compared to the prior year. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to accounting methods used by most private-sector companies. All of the current year's revenues and expenses are reported regardless of when cash is received or paid. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods.

These two statements report the Town's net position and related changes. The Town's financial health, or financial position, can be measured by its net position—the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, the Town's operations are divided into two kinds of activities:

**Governmental activities** - Most of the Town's basic services are reported here, including public safety, highway and streets, culture and recreation, and general administration. Property, sales, and video poker taxes, franchise fees and fines finance most of these activities.

**Business-type activities** - The Town charges a fee to customers to fund the cost of the water services it provides.



At December 31, 2024, the Town's net position was \$2.4 million, of which \$705,900 is unrestricted and \$1.7 million was invested in capital assets. Restricted net position is reported separately to show legal constraints from legislation that limits the Town's ability to use that net position for day-to-day operations. There is no restricted net position as of December 31, 2024. The analysis of the primary government focuses on the net position and change in net position of the Town's governmental activities and business-type activities is as follows:

Town of Fordoche, Louisiana  
Statements of Net Position  
December 31, 2024 and 2023  
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 690	\$ 636	\$ 160	\$ 128	\$ 850	\$ 764
Capital assets	<u>767</u>	<u>818</u>	<u>949</u>	<u>725</u>	<u>1,716</u>	<u>1,543</u>
Total assets	1,457	1,454	1,109	853	2,566	2,307
Deferred outflows of resources	<u>44</u>	<u>37</u>	<u>4</u>	<u>9</u>	<u>48</u>	<u>46</u>
Total assets & deferred outflows of resources	<u>\$ 1,501</u>	<u>\$ 1,491</u>	<u>\$ 1,113</u>	<u>\$ 862</u>	<u>\$ 2,614</u>	<u>\$ 2,353</u>
Current and other liabilities	\$ 1	\$ 292	\$ 73	\$ 56	\$ 74	\$ 348
Long-term liabilities	<u>81</u>	<u>66</u>	<u>32</u>	<u>42</u>	<u>113</u>	<u>108</u>
Total liabilities	<u>82</u>	<u>358</u>	<u>105</u>	<u>98</u>	<u>187</u>	<u>456</u>
Deferred inflows of resources	<u>3</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>5</u>	<u>2</u>
Net position:						
Net investment in capital assets	767	818	949	725	1,716	1,543
Unrestricted	<u>649</u>	<u>314</u>	<u>57</u>	<u>38</u>	<u>706</u>	<u>352</u>
Total net position	<u>1,416</u>	<u>1,132</u>	<u>1,006</u>	<u>763</u>	<u>2,422</u>	<u>1,895</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 1,501</u>	<u>\$ 1,491</u>	<u>\$ 1,113</u>	<u>\$ 862</u>	<u>\$ 2,614</u>	<u>\$ 2,353</u>

Net position of the Town's governmental activities increased during 2024 by \$283,400 due to an increase in grant revenues related to the American Rescue Plan Act. Unrestricted net position, which increased by \$335,000 during 2024, represents the part of net position that can be used to finance day-to-day operations without constraints established by legislation or other legal requirements. The \$649,000 in unrestricted net position of governmental activities represents the cumulative results of operations since the Town's inception.

The net position of the Town's business activities increased by 32% or \$243,400 during 2024 due to the recognition of capital grant related to water system improvements. The Town operates water services for its citizens.

The results of 2024 and 2023 operations for the primary government as reported in the Statement of Activities, are as follows:

<p style="text-align: center;">Town of Fordoche Statements of Activities For the years ended December 31, 2024 and 2023 (in thousands)</p>						
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program:						
Charges for services	\$ 86	\$ 98	\$ 160	\$ 141	\$ 246	\$ 239
Operating grants	8	12	-	-	8	12
Capital grants	290	-	242	-	532	-
General:						
Sales taxes	141	111	-	-	141	111
Video poker taxes	18	20	-	-	18	20
Franchise taxes	29	31	-	-	29	31
Ad valorem taxes	55	55	-	-	55	55
Other	30	21	5	5	35	26
Total revenues	<u>657</u>	<u>348</u>	<u>407</u>	<u>146</u>	<u>1,064</u>	<u>494</u>
Functions/Program Expenses:						
General government	170	147	-	-	170	147
Public safety	55	61	-	-	55	61
Highway and streets	65	58	-	-	65	58
Culture and recreation	83	91	-	-	83	91
Utility operations	-	-	164	189	164	189
Total expenses	<u>373</u>	<u>357</u>	<u>164</u>	<u>189</u>	<u>537</u>	<u>546</u>
Changes in net position	284	(9)	243	(43)	527	(52)
Beginning net position	<u>1,132</u>	<u>1,141</u>	<u>764</u>	<u>807</u>	<u>1,896</u>	<u>1,948</u>
Ending net position	<u>\$ 1,416</u>	<u>\$ 1,132</u>	<u>\$ 1,007</u>	<u>\$ 764</u>	<u>\$ 2,423</u>	<u>\$ 1,896</u>

### **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. Traditional users of governmental financial statements will find the fund financial statement presentation more familiar. The focus is on major funds, rather than generic fund types.

## **Reporting the Town's Most Significant Funds**

The analysis of the Town's major funds begins on page 14 with the fund financial statements that provide detailed information about the most significant funds—not the Town as a whole. Some funds are required to be established by State law or by bond covenants. However, the Town Council establishes other funds to control and manage money for particular purposes or meeting legal responsibilities for using certain taxes, grants, and other money. The Town's two kinds of funds—governmental and proprietary—use different accounting approaches.

**Governmental funds**—Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Most of the Town's basic services are reported in governmental funds. These funds are reported using an accounting method called modified accrual 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 determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental fund, the General Fund, is described in a reconciliation to the financial statements. The governmental major fund (Exhibits A-2 and A-4) presentation is presented using modified accrual basis and focuses on the major funds of the Town. The Town's only governmental fund is the General Fund.

**Proprietary funds** - When the Town charges customers for the services it provides—whether to outside customers or to other units of the Town—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Town's enterprise fund (Public Utility Fund) is the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

**Notes to the financial statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and can be found in Exhibit A-9.

**Other information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning original and final budgetary comparisons to actual results for the year for the Town's budgetary funds.

## **Financial Analysis of the Government's Funds**

The general government operations of the Town are accounted for in the General Fund. The focus of this fund, as noted earlier, 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. The following is a summary of general governmental operations for 2024 and 2023:

	General Fund	
	2024	2023
	(in thousands)	
Revenues and other financing sources	\$ 652	\$ 352
Expenditures and other financing uses	307	361
Net change in fund balance	345	(9)
Fund balance - beginning	342	351
Fund balance - ending	<u>\$ 687</u>	<u>\$ 342</u>

The Town's General Fund experienced an increase in fund balance of \$345,000 during 2024 that primarily resulted from an increase in tax and grant revenues compared to the prior year. At year end, the fund's balance was \$687,000, of which \$674,700 was unassigned and available for utilization at the Town's discretion.

General Fund revenues, excluding other financing sources, are summarized below:

	2024		2023	
	(In thousands)			
Taxes	\$ 242	37%	\$ 218	62%
Charges for services	55	8%	61	17%
Licenses and permits	26	4%	27	8%
Fines	5	1%	9	3%
Intergovernmental	297	46%	12	3%
Other	27	4%	25	7%
Total	<u>\$ 652</u>	<u>100%</u>	<u>\$ 352</u>	<u>100%</u>

Revenues of the General Fund for 2024 totaled approximately \$652,000, representing an increase of \$300,000, or 85%, compared to the previous year.

As noted on the previous page, the Town's activities are largely supported by taxes and intergovernmental revenues, which represented 83% of total governmental resources during 2024.

Expenditures of the primary government decreased by \$54,000 or 15% in 2024, primarily related to decreases in culture and recreation (\$8,000) and capital outlay (\$60,000).

Governmental expenditures by functions are summarized as follows:

	2024		2023	
	(In thousands)			
<u>Function</u>				
General government	\$	147 48%	\$	141 39%
Public safety		52 17%		51 14%
Highways and streets		52 17%		45 12%
Culture and recreation		56 18%		64 18%
Capital outlay		- 0%		60 17%
Total	\$	307 100%	\$	361 100%

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2024, the Town had \$1.7 million invested in a broad range of capital assets, including vehicles, computer equipment, office furniture, land, buildings, water and gas distribution systems, and a sewer treatment facility.

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
	(in thousands)					
Land	\$ 61	\$ 61	\$ 10	\$ 10	\$ 71	\$ 71
Construction in process	-	-	237	-	237	-
Buildings	642	673	-	-	642	673
Vehicles	17	22	-	-	17	22
Machinery and equipment	38	50	10	12	48	62
Furniture and equipment	9	12	-	-	9	12
Water sytems	-	-	664	703	664	703
Capital assets, net of depreciation	<u>\$ 767</u>	<u>\$ 818</u>	<u>\$ 921</u>	<u>\$ 725</u>	<u>\$ 1,688</u>	<u>\$ 1,543</u>

The Town elected to capitalize infrastructure assets on a prospective basis as a Phase 3 government, which is permitted by GASB No. 34. More detailed information about the Town's capital assets is presented in Note 5 to the financial statements.

### Long-term Debt

At the end of 2024, the Town had \$112,500 in long-term debt obligations, all of which is related to the Town's net pension liability. This represents an increase of \$5,100 from the prior year. See Note 6.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The Town's elected and appointed officials considered many factors when setting the 2024 budget and tax rates. One of those factors is the local economy, with the major economic industries in the surrounding area being agriculture and manufacturing.

### **Contacting the Town's Financial Management**

This financial report is designed to provide the citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show accountability for the money the Town receives. Questions about this report or a need for additional financial information should be directed to the Town's Finance Office at (225) 637-3112 or P.O. Box 10, Fordoche, LA 70732.

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF FORDOCHE, LOUISIANA**  
**STATEMENT OF NET POSITION**

December 31, 2024

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 609,802	\$ 115,045	\$ 724,847
Restricted cash:			
Customer utility deposits	-	24,583	24,583
Accounts receivable, net	6,714	15,002	21,716
Due from other governments	59,643	-	59,643
Internal balances	1,315	(1,315)	-
Prepaid assets	12,679	6,526	19,205
Capital assets:			
Nondepreciable	61,450	275,150	336,600
Depreciable, net	705,549	674,219	1,379,768
Total assets	1,457,152	1,109,210	2,566,362
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension liability	44,236	3,819	48,055
Total assets and deferred outflows of resources	\$ 1,501,388	\$ 1,113,029	\$ 2,614,417
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 468	\$ 27,118	\$ 27,586
Due to other governments	545	-	545
Unearned revenue - grant advances	-	5,769	5,769
Customer prepayment on utility charges	-	15,009	15,009
Customer utility deposits	-	24,583	24,583
Long-term payables:			
Net pension liability	80,963	31,586	112,549
Total liabilities	81,976	104,065	186,041
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension liability	3,714	2,346	6,060
Total liabilities and deferred inflows of resources	85,690	106,411	192,101
<b>NET POSITION</b>			
Investment in capital assets	766,999	949,369	1,716,368
Unrestricted	648,699	57,249	705,948
Total net position	1,415,698	1,006,618	2,422,316
Total liabilities, deferred inflows of resources, and net position	\$ 1,501,388	\$ 1,113,029	\$ 2,614,417

Notes on Exhibit A-9 are an integral part of this statement.



## TOWN OF FORDOCHE, LOUISIANA

## STATEMENT OF ACTIVITIES

For the year ended December 31, 2024

	Program Revenues				Net Revenue (Expenses) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Functions/Programs</b>							
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 169,504	\$ 27,014	\$ -	\$ 289,554	\$ 147,064	\$ -	\$ 147,064
Public safety	55,044	4,753	7,800	-	(42,491)	-	(42,491)
Highway and streets	65,149	4,246	-	-	(60,903)	-	(60,903)
Culture and recreation	82,552	49,669	-	-	(32,883)	-	(32,883)
Total governmental activities	372,249	85,682	7,800	289,554	10,787	-	10,787
Business-type activities:							
Utility operations	163,898	160,307	-	241,863	-	238,272	238,272
Total primary government	<u>\$ 536,147</u>	<u>\$ 245,989</u>	<u>\$ 7,800</u>	<u>\$ 531,417</u>	<u>10,787</u>	<u>238,272</u>	<u>249,059</u>
General revenues:							
Taxes:							
Sales					140,576	-	140,576
Ad valorem					54,549	-	54,549
Video poker					18,442	-	18,442
Franchise and other					29,241	-	29,241
Grants and contributions not restricted to specific programs					3,176	1,672	4,848
Investment earnings					26,631	3,464	30,095
Total general revenues					<u>272,615</u>	<u>5,136</u>	<u>277,751</u>
Change in net position					283,402	243,408	526,810
Net position - beginning of year					<u>1,132,296</u>	<u>763,210</u>	<u>1,895,506</u>
Net position - end of year					<u>\$ 1,415,698</u>	<u>\$ 1,006,618</u>	<u>\$ 2,422,316</u>

Notes on Exhibit A-9 are an integral part of this statement.

**TOWN OF FORDOCHE, LOUISIANA****BALANCE SHEET****GOVERNMENTAL FUND**

December 31, 2024

	<u><b>General Fund</b></u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 609,802
Accounts receivable, net	6,714
Due from other governments	59,643
Due from other funds	1,315
Prepaid assets	<u>12,679</u>
 Total assets	 <u><u>\$ 690,153</u></u>
 <b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 468
Due to other governments	<u>545</u>
 Total liabilities	 <u>1,013</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue - ad valorem taxes	<u>1,807</u>
 <b>FUND BALANCE</b>	
Non-spendable	12,679
Unassigned	<u>674,654</u>
 Total fund balance	 <u>687,333</u>
 Total liabilities, deferred inflows of resources, and fund balance	 <u><u>\$ 690,153</u></u>

Notes on Exhibit A-9 are an integral part of this statement.

# TOWN OF FORDOCHE, LOUISIANA

## RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION

December 31, 2024

Total net assets reported for governmental activities in the statement of net position is different because:

Total fund balance - governmental fund (Exhibit A-2)	\$ 687,333
Capital assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental fund, net of accumulated depreciation.	766,999
Some tax revenues were collected more than sixty days after year-end and, therefore, are not available soon enough to pay for current-period expenditures	
Ad valorem taxes	1,807
Pension related obligations are not due and payable with current resources and, therefore, are not reported in governmental funds.	
Deferred outflows related to pension liability	44,236
Deferred inflows related to pension liability	(3,714)
Net pension liability	<div style="display: flex; justify-content: space-between;"> <span><u>(80,963)</u></span> <span><u>(40,441)</u></span> </div>
Net position of governmental activities (Exhibit A)	<div style="display: flex; justify-content: space-between;"> <span></span> <span><u><u>\$ 1,415,698</u></u></span> </div>

# TOWN OF FORDOCHE, LOUISIANA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUND

For the year ended December 31, 2024

	<u>General Fund</u>
<b>REVENUES</b>	
Taxes:	
Sales and use	\$ 140,576
Ad valorem	54,549
Video poker	18,442
Franchise and other	29,241
Charges for services	54,602
Fines	4,753
License and permits	26,327
Intergovernmental	297,354
Investment income	<u>26,631</u>
Total revenues	<u>652,475</u>
<b>EXPENDITURES</b>	
Current function:	
General government	146,591
Public safety	51,912
Highways and streets	52,077
Culture and recreation	<u>56,289</u>
Total expenditures	<u>306,869</u>
Net change in fund balance	345,606
<b>FUND BALANCE</b>	
Beginning of year	<u>341,727</u>
End of year	<u><u>\$ 687,333</u></u>

Notes on Exhibit A-9 are an integral part of this statement.

# TOWN OF FORDOCHE, LOUISIANA

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES

For the year ended December 31, 2024

The change in net position reported for governmental activities in the statement of activities is different because:

Net change in fund balance - total governmental funds (Exhibit A-4)	\$ 345,606
The governmental fund reports capital outlay as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.	(51,404)
Changes in net pension obligations are reported only in the Statement of Activities	<u>(10,800)</u>
Change in net position of governmental activities (Exhibit A-1)	<u>\$ 283,402</u>

## TOWN OF FORDOCHE, LOUISIANA

STATEMENT OF PROPRIETARY NET POSITION  
PROPRIETARY FUND

December 31, 2024

	<b>Public Utility Fund</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 115,045
Restricted cash - customer utility deposits	24,583
Accounts receivable, net	15,002
Prepaid expenses	<u>6,526</u>
Total current assets	<u>161,156</u>
Noncurrent assets:	
Capital assets:	
Nondepreciable	275,150
Depreciable, net	<u>674,219</u>
Total noncurrent assets	<u>949,369</u>
Total assets	1,110,525
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Net pension liability	<u>3,819</u>
Total assets and deferred inflows of resources	<u><u>\$ 1,114,344</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 27,118
Due to other funds	1,315
Deferred revenue	5,769
Customer prepayment on utility charges	15,009
Customer utility deposits	<u>24,583</u>
Total current liabilities	73,794
Non-current liabilities:	
Net pension liability	<u>31,586</u>
Total liabilities	<u>105,380</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Net pension liability	<u>2,346</u>
<b>NET POSITION</b>	
Investment in capital assets	949,369
Unrestricted	<u>57,249</u>
Total net position	<u>1,006,618</u>
Total liabilities, deferred inflows of resources, and net position	<u><u>\$ 1,114,344</u></u>

Notes on Exhibit A-9 are an integral part of this statement.

## TOWN OF FORDOCHE, LOUISIANA

**STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN PROPRIETARY NET POSITION  
PROPRIETARY FUND**

For the year ended December 31, 2024

	<u>Public Utility Fund</u>
<b>OPERATING REVENUES</b>	
Charges for services:	
Water fees	\$ 144,189
Collection fees - Pointe Coupee Parish Government	11,643
Penalties and other	<u>4,475</u>
Total operating revenues	<u>160,307</u>
<b>OPERATING EXPENSES</b>	
Personnel	60,048
Depreciation	41,134
Maintenance and repairs	20,300
Utilities	14,977
Insurance	11,941
Professional services	11,602
Materials and supplies	<u>3,896</u>
Total operating expenses	<u>163,898</u>
Operating loss	<u>(3,591)</u>
<b>NONOPERATING REVENUES</b>	
Capital grants and contributions	241,863
Pension revenue	1,672
Investment income	<u>3,464</u>
Total nonoperating, net	<u>246,999</u>
Change in net position	243,408
<b>NET POSITION</b>	
Beginning of year	<u>763,210</u>
End of year	<u><u>\$ 1,006,618</u></u>

Notes on Exhibit A-9 are an integral part of this statement.

## TOWN OF FORDOCHE, LOUISIANA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND

For the year ended December 31, 2024

	<b>Public Utility Fund</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 154,419
Payments to suppliers	(76,561)
Payments to employees	(63,894)
	<u>13,964</u>
Net cash provided by operating activities	<u>13,964</u>
<b>CASH FLOWS FROM INVESTING RELATED ACTIVITIES</b>	
Investment income	<u>3,464</u>
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Increase in customer deposits	1,610
Pension revenue	1,672
	<u>3,282</u>
Net cash provided by noncapital and related financing activities	<u>3,282</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchases of capital assets	(236,925)
Capital grants and contributions	241,863
	<u>4,938</u>
Net cash provided by capital and related financing activities	<u>4,938</u>
Net increase in cash	25,648
<b>CASH</b>	
Beginning of period	<u>113,980</u>
End of period	<u>\$ 139,628</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>	
Operating loss	\$ (3,591)
Adjustments for to reconcile operating income to net cash provided by operating activities:	
Depreciation	41,134
Change in operating assets and liabilities:	
Accounts receivable, other assets and deferred outflows	(1,077)
Accounts payable, accrued liabilities andn deferred inflows	(22,502)
	<u>13,964</u>
Net cash provided by operating activities	<u>\$ 13,964</u>
<b>RECONCILIATION OF CASH AND RESTRICTED CASH</b>	
Cash and cash equivalents	\$ 115,045
Restricted cash - customer utility deposits	24,583
	<u>139,628</u>
Total cash	<u>\$ 139,628</u>

Notes on Exhibit A-9 are an integral part of this statement.



## **TOWN OF FORDOCHE, LOUISIANA**

### **NOTES TO FINANCIAL STATEMENTS**

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Statement Presentation**

The Town of Fordoche, Louisiana (Town) was incorporated in 1961 and is a political subdivision of the State of Louisiana. The Town, under the provisions of the Lawrason Act, enacts ordinances, sets policy and establishes programs in such fields as public safety, public works, health and welfare, culture and recreation, and utility operations.

The financial statements of the Town have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The most significant accounting policies established in GAAP and used by the Town are described below. The Town follows GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain significant components in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Town’s overall financial position and results of operations,
- Financial statements prepared using accrual basis accounting for all of the Town’s activities.
- Fund financial statements to focus on the major funds.

##### **Reporting Entity**

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

GASB Statement No. 14, as amended by GASB Statement No. 61, established criteria for determining which component units should be considered part of the Town for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability.

(continued)

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Reporting Entity (Continued)

The criteria for determining which component units should be considered part of the Town for financial reporting purposes are as follows:

- Legal status of the potential component unit including the right to incur its own debt. Levy its own taxes and charges, expropriate property in its own name, sue or be sued, and the right to buy, sell and lease property in its own name;
- Whether the Town governing authority (the Council and/or Mayor) appoints a majority of board members of the potential component unit and is able to impose its will on that organization;
- Fiscal interdependency between the Town and the potential component unit;
- Imposition of will by the Town on the potential component unit; and
- Financial benefit/burden relationship between the Town and the potential component unit.

As required by generally accepted accounting principles, these financial statements present the Town and, where applicable, its component units. However, there are no component units to be included either blended within the Town's funds or discretely presented in these financial statements.

### Basis of Presentation

The Town's basic financial statements consist of the government-wide statements of the primary government and the fund financial statements (individual major funds). The Town's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and applied to governmental units.

### Government-wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all non-fiduciary activities of the Town. As a general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the government as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These statements distinguish between the governmental and business-type activities of the Town.

*Governmental activities* generally are financed through taxes, intergovernmental revenues, traffic fines, charges for services, and other nonexchange revenues.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Government-wide Financial Statements (Continued)

*Business type activities* are financed in whole or in part by fees charged to external parties for utility services provided. The Town's water services are classified as business-type activities.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 business-type activity, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

### Fund Financial Statements

The fund financial statements are very similar to the traditional government fund statements as prepared by governments prior to the issuance of GASB No. 34. Emphasis is now on the major funds in either the governmental or business-type categories. Non-major funds (by category) or fund type are summarized into a single column in the basic financial statements. The Town does not operate any non-major funds in 2024.

The daily operations of the Town continue to be organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures or expenses, as appropriate. Funds are organized into three major categories: governmental, proprietary and fiduciary. The Town does not have any fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories.

A fund is considered major if it is the primary operating fund of the Town (the General Fund) or meets the following criteria:

- Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

(continued)

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be expended and the means by which spending activities are controlled. The various funds of the primary government presented in the financial statements are described as follows:

#### ***Governmental Fund Types***

Governmental funds are those through which most governmental functions of the Town are financed. The acquisition, use, and balances of expendable financial resources and related liabilities of the Town are accounted for through governmental funds. Measurement is focused upon determining changes in financial position, rather than net income.

**General Fund** – The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is always a major fund.

#### ***Proprietary Fund Types***

**Enterprise Funds** – Enterprise funds are used to account for operations (1) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or changes in net position is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Proprietary funds distinguish operating revenues and expenses from nonoperating items.

Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The Town considers the Public Utilities Fund a major enterprise fund.

(continued)

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### **Basis of Accounting and Measurement Focus**

#### ***Government-wide financial statements***

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Ad valorem (property) taxes are recognized in the year for which they are levied. Program revenues for governmental activities include operating and capital grants, traffic fines, and charged for services.

#### ***Fund financial statements***

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included in the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in fund balance. Governmental funds are maintained on the modified accrual basis of accounting. Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). "Available" means collectible within the current period or within 60 days after year-end. Charges for services, fines and forfeitures, and most governmental revenues, are recorded as earned since they are measurable and available.

Nonexchange transactions, in which the Town receives value without directly giving value in return, includes sales tax, ad valorem tax, and intergovernmental grants. Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15<sup>th</sup> of each year, and become delinquent after December 31<sup>st</sup>. The taxes are generally collected in December of the current year and January and February of the following year.

Sales taxes are recorded when in the possession of the intermediary collecting agent and are recognized as revenue at that time and are subject to the availability criteria. Grants are recorded as revenue when the Town is entitled to the funds, generally corresponding to when grant related costs are incurred by the Town, but subject to the availability criteria.

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for (1) unmatured interest on general long-term debt which is recognized when due, and (2) claims and judgments, and compensated absences which are recorded as expenditures in the governmental fund type when paid with expendable financial resources. Allocations of costs such as depreciation and amortization are not recognized in the governmental funds.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### **Basis of Accounting and Measurement Focus (Continued)**

#### ***Fund financial statements (Continued)***

All proprietary funds are accounted for on a flow of economic resources measurement focus. Proprietary funds are maintained on the accrual basis of accounting whereas revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable.

### **Cash and Cash Equivalents**

Cash and cash equivalents for the Town include the Louisiana Asset Management Pool (LAMP) account deposits as well as the Town's operating cash accounts.

For an investment, custodial credit risk that, in the event of the failure of the counter party, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The investment policy of the Town is governed by state statutes that include depository and custodial contract provisions.

The investment policy of the Town is governed by state statutes that include depository and custodial contract provisions. The Town invests funds in accordance with L.R.S. 39:1211-1245 and 33:2955 which include, but are not limited to, United States Treasury Bonds, Treasury Notes, Treasury Bills, and fully collateralized interest-bearing checking accounts and certificates of deposit. Other provisions require depositories to insure or collateralize all deposits in accordance with state law and require securities collateralizing deposits to be held by an independent third party with whom the Town has a custodial agreement. The Town primarily utilizes the LAMP to invest idle funds.

For purposes of the Statement of Cash Flows, liquid investments of the enterprise fund with a maturity of three months or less are considered to be cash equivalents.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. See Note 2.

(continued)

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **Accounts Receivable**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. In business-type activities, uncollectible amounts due from utility billing receivables are recognized as bad debts through the use of an allowance account or are directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. An allowance for doubtful accounts of \$6,500 in the Public Utility Fund, respectively, was recorded at December 31, 2024.

### **Leased Asset Receivable**

Leased asset receivables are a result of leases in which the Town has entered into a contract with a lessee that delivers the right to use a nonfinancial asset of the Town as specified by the contract for a period of time in an exchange or exchange-like transaction. Such receivables are reported on the government-wide financial statements at present value of the lease payments to be received during the lease term.

Additionally, the Town would recognize a deferred inflow of resources that is reported at the value of the lease receivable plus any payments received at or before the commencement of the lease for future periods. Assets of agreement entered into in which the Town is the lessor are retained as capital assets of the Town and are reported in the government-wide financial statements as described under Capital Assets. The Town has not entered into any agreements delivering control of a right to use a nonfinancial asset to a lessee as described at December 31, 2024.

### **Interfund Receivables/Payables**

During the course of operations, transactions may occur between individual funds. Those related to short-term borrowings are classified as “due from other funds” or “due to other funds” on the balance sheet. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” The Town has a \$1,315 interfund receivables/payables balance at December 31, 2024.

### **Interfund Transfers**

Advances between funds which are not expected to be repaid are accounted for as transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated. In those cases where repayment is expected, the advances are accounted for through the various interfund accounts. There are no transfers during the year ended December 31, 2024.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Capital Assets

The accounting treatment of property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

### *Government-wide Statements*

In the government-wide financial statements, all capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their acquisition value at the date of donation. Major capital outlays for capital assets and improvements are capitalized at the completion of construction projects.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are expensed. Major outlays for capital assets and improvements are capitalized at completion of construction projects.

Prior to the implementation of GASB No. 34, governmental fund's infrastructure assets were not capitalized. The Town has elected to capitalize infrastructure expenditures on a prospective basis.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	20 – 40 years
Infrastructure	20 – 40 years
Tractors	5 – 10 years
Furniture and equipment	3 – 10 years
Vehicles	5 – 6 years

### Right of Use Assets

Right of use assets are a result of leases in which the Town has entered into a contract with a lessor that conveys control of the right to use the lessor's nonfinancial asset as specified by the contract for a period of time in an exchange or exchange-like transaction. Such assets are reported on the government-wide financial statements net of amortization. Right of use assets are amortized at the lesser of the useful life or lease term. The Town has not entered into any agreements gaining control of the right to use a lessor's nonfinancial assets as described above at December 31, 2024.



## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### ***Fund Financial Statements***

In the fund financial statements capital assets used in governmental fund operations are recorded as capital outlay expenditures of the governmental fund types when purchased. Capital assets used in proprietary fund operations are accounted for in the same manner as in government-wide statements.

Property, plant and equipment used by the proprietary funds are stated at cost. Interest costs incurred during construction periods are capitalized. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

Buildings and improvements	20 – 40 years
Utility systems	15 – 40 years
Machinery and equipment	3 – 10 years
Furniture and equipment	3 – 10 years
Vehicles	5 – 6 years

### **Compensated Absences**

The Town has the following policy relating to compensated absences:

<u>Length of Service</u>	<u>Annual Earned Hourly Allowance</u>
1 – 5 years	80
6 – 9 years	96
10+ years	120

An employee may not carry over compensated absences from one calendar year to another, therefore a liability has not been accrued in the fund financial statements for compensated absences.

### **Governmental Activities and Business-Type Activities Net Position**

Governmental activities and business-type activities net position is divided into three components:

- Net investment in capital assets – consist of the historical cost of capital assets less accumulated depreciation and related debt that was used to acquire those assets.
- Restricted net position – consist of net position that is restricted by the Town's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted – all other net position is reported in this category.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Governmental Fund Balances

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

- Nonspendable – amounts that cannot be spent because they are either in a nonspendable form or they are legally or contractually required to be maintained intact.
- Restricted – amounts that can be spent only for specific purposes because of the Town Code, state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed – amounts that can be used only for specific purposes determined by a formal action by Town council ordinance.
- Assigned – amounts that are designated by the Mayor for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by Town Council.
- Unassigned – all amounts not included in other spendable classifications.

### Use of Restricted Resources

When an expense is incurred in government activities that can be paid using either restricted or unrestricted resources (net position), the Town's policy is to first apply the expense to the restricted net position before unrestricted net position is utilized.

When an expense is incurred in governmental funds that can be paid using either restricted or unrestricted resources (fund balance), the Town's policy is to apply the expenditure in the following priority:

1. Restricted fund balance,
2. Committed fund balance,
3. Assigned fund balance, and
4. Unassigned fund balance.

### Deferred Outflows and Inflows of Resources

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

(continued)

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **Deferred Outflows and Inflows of Resources (Continued)**

In addition to liabilities, the Statement of Net Position, or Balance Sheet, will sometimes report separate sections for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) at that time. The Town's only item that qualifies for this category is pension liability. The amounts deferred and recognized as an inflow of resources in the period that the amounts become available.

### **Budget Policy and Budgetary Accounting**

A proposed budget is prepared and submitted to the Mayor and Town Council prior to the beginning of each fiscal year. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to the commencement of the budget year. The Town follows the requirements of Louisiana Budget Law. The Town is required to adopt its budget prior to December 31. Once adopted, the Mayor is able to transfer part or all of any appropriation within a department of a fund; however, the authority for other budget amendments resides with the Town Council.

The annual operating budget, prepared on the modified accrual basis, covers the General Fund and Public Utility Fund. At the end of the fiscal year, unexpended appropriations automatically lapse. Budget amendments are approved by the Town Council and are included in the financial statements.

In connection with budget preparation, a portion of the unassigned fund balance of an individual fund may be designated for expenditures of the subsequent year. Such designation represents the extent to which the fund balance is used to balance the subsequent year's operating budget of that fund, as reflected in the legally adopted budget.

### **Sales and Use Tax**

The Town has a permanent one cent sales and use tax that is available for general purposes.

### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for the allowance for uncollectible accounts, net pension liability, and depreciation.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for the allowance for uncollectible accounts, net pension liability, and depreciation.

***Accounting Changes and Error Corrections***

During the fiscal year, the Town implemented policies under GASB Statement No. 100, *Accounting Changes and Error Corrections*, which is an amendment of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement requires that changes in accounting principles and error corrections be reported retroactively by restating prior periods, changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement also requires that information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. The impact of this statement had no effect on the financial statements for the year ended December 31, 2024.

***Compensated Absences***

Effective January 1, 2024, the Town implemented policies under GASB Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. In addition, this Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. This statement has no impact on the Town's financial statements at December 31, 2024.

**Subsequent Events**

In preparing these financial statements, the Town has evaluated events and transactions for potential recognition or disclosure through June 20, 2025, which was the date the financial statements were available to be issued.

## NOTE 2 - CASH AND CASH EQUIVALENTS

The Town may invest in United States bonds, treasury notes, or certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana or other qualifying federally insured investments.

Custodial credit risk is the risk that in the event of a financial institution failure, the Town's deposits may not be returned to them. To mitigate this risk, state law requires public deposits to be secured by federal deposit insurance or the pledge of qualified securities owned by the fiscal agent financial institution. As of December 31, 2024, the Town had no deposits exposed to custodial risk.

As of December 31, 2024, the Town had a balance of \$594,460 invested in LAMP.

LAMP is administered by a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pools 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 LA – R.S. 33:2955.

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

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

- Credit risk: LAMP is rated AAAm by Standard & Poor's.
- Custodial 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 physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with 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 68 days as of December 31, 2023.
- Foreign currency risk: Not applicable.

## NOTE 2 - CASH AND EQUIVALENTS (CONTINUED)

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

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

The government's investments are categorized as either (1) insured or registered for which the securities are held by the government or its agent in the government's name, (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in the government's name, or (3) uninsured and unregistered for which securities are held by the broker or dealer, or by its trust department or agent but not in the government's name. Cash and cash equivalents consisted of the following as of December 31, 2024:

<b>Unrestricted:</b>	
Investments in LAMP	\$ 594,460
Deposits	153,616
Cash on hand	<u>1,354</u>
Total unrestricted	<u><u>\$ 749,430</u></u>

## NOTE 3 - ACCOUNTS RECEIVABLE AND DUE FROM OTHER GOVERNMENTS

Accounts receivable at December 31, 2024 for the primary government, were as follows:

### Primary Government

Utility charges, net	\$ 15,002
Franchise taxes	<u>6,714</u>
Total primary government	<u><u>\$ 21,716</u></u>

Due from other governments at December 31, 2024 for the primary government, were:

### Primary Government

Ad valorem taxes	\$ 51,855
Video poker taxes	1,843
Other	<u>5,945</u>
Total primary government	<u><u>\$ 59,643</u></u>

As of December 31, 2024, the Town has a balance of \$15,009 in customer billing collections that have been paid in advance.

#### **NOTE 4 - AD VALOREM TAXES**

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15% of fair market value; and public service properties, excluding land, are to be assessed at 25% of fair market value.

Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (LRS 47:1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

All ad valorem (property) taxes are recorded in governmental funds, and as explained in Note 1, and are recognized in the accounting period in which they become available and measurable. Property taxes are considered measurable in the calendar year of the tax levy. Accordingly, the taxes assessed for the calendar year falling within the current fiscal year are recorded as revenue. Property taxes are collected by the tax collector and remitted to the Town within the availability period, and are therefore, available to liquidate liabilities of the current period.

Taxes are levied by the Town in September or October and are billed to the taxpayers in November. Billed taxes become delinquent on December 31<sup>st</sup>. Revenues from ad valorem taxes are budgeted in the year assessed. Ad valorem taxes attach as an enforceable lien on property as of January 1<sup>st</sup> of each year.

For 2024, taxes of 12.560 mills were levied on property with assessed valuations totaling \$4,426,980 and were dedicated to general governmental operations. Total taxes levied were \$55,603.

## NOTE 5 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2023, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 61,450	\$ -	\$ -	\$ 61,450
<b>Capital assets being depreciated:</b>				
Buildings and improvements	1,085,200	-	-	1,085,200
Tractors and equipment	162,119	-	-	162,119
Office furniture and equipment	145,885	-	-	145,885
Vehicles	62,007	-	-	62,007
Capital assets being depreciated:	1,455,211	-	-	1,455,211
<b>Less accumulated depreciation for:</b>				
Buildings and improvements	411,936	31,104	-	443,040
Tractors and equipment	112,018	11,968	-	123,986
Office furniture and equipment	134,247	3,126	-	137,373
Vehicles	40,057	5,206	-	45,263
Total accumulated depreciation	698,258	51,404	-	749,662
Total capital assets being depreciated, net	756,953	(51,404)	-	705,549
Total governmental capital assets, net	\$ 818,403	\$ (51,404)	\$ -	\$ 766,999



**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions of the Town as follows:

Governmental activities:	<u>Amount</u>			
Culture and recreation	\$		26,263	
Highways and streets			13,072	
Public safety			5,105	
General government			<u>6,964</u>	
Total depreciation expense - governmental activities	\$		<u>51,404</u>	
	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
	<u>Balance</u>			<u>Balance</u>
<b>Business-type activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 9,950	\$ -	\$ -	\$ 9,950
Construction in progress	<u>-</u>	<u>265,200</u>	<u>-</u>	<u>265,200</u>
Capital assets not being depreciated:	<u>9,950</u>	<u>265,200</u>	<u>-</u>	<u>275,150</u>
<b>Capital assets being depreciated:</b>				
Water system	1,655,092	-	-	1,655,092
Tractors and equipment	87,170	-	-	87,170
Office furniture and equipment	1,238	-	-	1,238
Vehicles	<u>23,844</u>	<u>-</u>	<u>-</u>	<u>23,844</u>
Capital assets being depreciated:	<u>1,767,344</u>	<u>-</u>	<u>-</u>	<u>1,767,344</u>
<b>Less accumulated depreciation for:</b>				
Water system	951,638	39,256	-	990,894
Tractors and equipment	75,271	1,878	-	77,149
Office furniture and equipment	1,238	-	-	1,238
Vehicles	<u>23,844</u>	<u>-</u>	<u>-</u>	<u>23,844</u>
Total accumulated depreciation	<u>1,051,991</u>	<u>41,134</u>	<u>-</u>	<u>1,093,125</u>
Total capital assets				
being depreciated, net	<u>715,353</u>	<u>(41,134)</u>	<u>-</u>	<u>674,219</u>
Total business-type capital assets, net	<u>\$ 725,303</u>	<u>\$ 224,066</u>	<u>\$ -</u>	<u>\$ 949,369</u>

Depreciation expense for business-type activities for 2024 was \$41,134.

## NOTE 6 - PENSION PLAN (CONTINUED)

Each of the Systems issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. These reports may be obtained by writing, calling or downloading the reports as follows:

**MERS:** 7937 Office Park Boulevard | Baton Rouge, Louisiana 70809 | [www.mersla.com](http://www.mersla.com)

**MPERS:** 7722 Office Park Boulevard | Baton Rouge, Louisiana 70809 | [www.lampers.org](http://www.lampers.org)

### Plan Descriptions:

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

The Municipal Employees' Retirement System of Louisiana (MERS) is the administrator of a cost sharing multiple-employer defined benefit pension plan. The System was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana. 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. The Town is a participant in Plan B only.

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

The Municipal Police Employees' Retirement System (MPERS) is the administrator of a cost-sharing multiple-employer plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers.

### Funding Policy

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended December 31, 2023, for the Town and covered employees were as follows:

	<u>Town</u>	<u>Employees</u>
<b>Municipal Employees' Retirement System (Plan B)</b>	15.50%	5.00%
<b>Municipal Police Employees' Retirement System</b>		
All employees hired prior to 01/01/2013 and all		
Hazardous Duty employees hired after 01/01/2013	33.925%	10.00%
Non-Hazardous Duty (hired after 01/01/2013)	33.925%	8.00%
Employees receiving compensation below poverty		
guidelines of US Department of Health	36.425%	7.50%

**NOTE 6 - PENSION PLAN (CONTINUED)**

**Funding Policy (continued)**

The contributions made to the Systems for the past three fiscal years, which equaled the required contributions for each of these years, were as follows:

Plan	2024	2023	2022
MERS (Plan B)	\$ 10,885	\$ 12,910	\$ 12,252
MPERS	<u>7,087</u>	<u>7,149</u>	<u>-</u>
Total	<u>\$ 17,972</u>	<u>\$ 20,059</u>	<u>\$ 12,252</u>

**Pension Liabilities and Expense and Deferred Outflows and Inflows of Resources**

The following schedule lists the Town's proportionate share of the net pension liability allocated by each of the pension plans for based on the June 30, 2024 measurement date. The Town uses this measurement date to record its net pension liability and associated amounts as of December 31, 2024 in accordance with GASB Statement No. 68. The schedule also includes the proportionate share allocation rate used at June 30, 2024 along with the change compared to the June 30, 2023 rate. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	Net Pension Liability at June 30, 2024	Current Measurement Rate	Previous Measurement Rate	Increase (Decrease)
MERS	\$ 54,783	0.090285%	0.092667%	-0.002382%
MPERS	<u>57,766</u>	0.006376%	0.003141%	0.003235%
Total	<u>\$ 112,549</u>			

The following schedule list each pension plan's recognized net pension expense (benefit) of the Town for the year ended December 31, 2024:

	Total
Municipal Police Employees' Retirement Fund	\$ (1,973)
Municipal Employees' Retirement Fund	<u>13,775</u>
Total	<u>\$ 11,802</u>

**NOTE 6 - PENSION PLAN (CONTINUED)**

**Pension Liabilities and Expense and Deferred Outflows and Inflows of Resources  
(Continued)**

At December 31, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,649	\$ 2,196
Changes of assumptions	-	2,039
Net difference between projected and actual earnings on pension plan investments	3,579	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	33,449	1,825
Differences between allocated and actual contributions	-	-
Employer contributions subsequent to the measurement date	7,378	-
	<u>\$ 48,055</u>	<u>\$ 6,060</u>

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Municipal Employees' System (Plan B)	\$ 6,538	\$ 4,313
Municipal Police Employees' Retirement Fund	41,517	1,747
Total	<u>\$ 48,055</u>	<u>\$ 6,060</u>

The Town reported \$4,044 as deferred outflow of resources related to pension contributions into the MERS plan made subsequent to the measurement date of June 30, 2024, which will be recognized as a reduction in net pension liability in the year ended December 31, 2024. There were \$3,334 of contributions into the MPERS made subsequent to the measurement date of June 30, 2024.

(continued)

## NOTE 6 - PENSION PLAN (CONTINUED)

### Pension Liabilities and Expense and Deferred Outflows and Inflows of Resources (Continued)

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

Year	MERS	MPERS	Total
2025	\$ (2,066)	\$ 13,580	\$ 11,514
2026	3,115	18,940	22,055
2027	(1,634)	4,925	3,291
2028	(1,234)	(1,009)	(2,243)
	<u>\$ (1,819)</u>	<u>\$ 36,436</u>	<u>\$ 34,617</u>

### Actuarial Assumptions

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

	Valuation Date	Expected Remaining Service Lives	Investment Rate of Return, net
<b>MERS</b>	June 30, 2024	3 years	6.850%
<b>MPERS</b>	June 30, 2024	4 years	6.750%

The MERS actuarial assumptions used in the June 30, 2024 valuation was based on the results of an experience study, for the period July 1, 2013 through June 30, 2018. The MPERS actuarial assumptions used in the June 30, 2024 valuation was based on the results of an experience study, for the period July 1, 2014 through June 30, 2019.

### ***Mortality:***

#### **MERS**

PubG-2010(B) Healthy Retiree Table set equal to 115% for males and females, each adjusted using their respective male and female MP2018 scales for annuitant and beneficiary mortality.

PubG-2010(B) Employee Table set equal to 115% for males and 120% for females, each adjusted using their respective male and female MP2018 scales for employee mortality.

PubNS-2010(B) Disabled Retiree Table set equal to 115% for males and 120% for females with the full generational MP2018 for disabled lives mortality.

**NOTE 6 - PENSION PLAN (CONTINUED)**

**Actuarial Assumption (continued)**

***Mortality (continued):***

**MPERS**

For annuities and beneficiaries, the Pub-2010 public retirement plan mortality table for safety below-median healthy retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP 2019 scale was used.

For disabled lives, the 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 employees, the Pub-2010 public retirement plans mortality table for safety below-median employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.

***Salary Increases:***

**MERS**

<b>Years of Service</b>	<b>Salary Growth Rate</b>
1- 4	9.50%
>4	4.60%

**MPERS**

<b>Years of Service</b>	<b>Salary Growth Rate</b>
1-2	12.30%
Above 2	4.70%

***Cost of Living Adjustments:***

**MERS**

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.

## NOTE 6 - PENSION PLAN (CONTINUED)

### Actuarial Assumptions (continued)

#### *Cost of Living Adjustments (continued):*

##### **MPERS**

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.

The following methods used by each of the retirement systems in determining the long-term rate of return on pension plan investments:

##### **MERS**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses 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 target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rates of return is 6.85% for the year ended June 30, 2024.

##### **MPERS**

The forecasted 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 resulting forecasted long-term rate of return is 7.86% for the year ended June 30, 2024.

**NOTE 6 - PENSION PLAN (CONTINUED)**

**Actuarial Assumptions (continued)**

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long-term rate of return is 7.86% for the year ended June 30, 2024.

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

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

**Discount Rate**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and adjusting for the effect of rebalancing/diversification. The discount rate used to measure the total pension liability for MERS and MPERS was 6.85% and 6.75%, respectively for the year ended June 30, 2024.



## NOTE 6 - PENSION PLAN (CONTINUED)

### Actuarial Assumptions (continued)

#### Sensitivity to Changes in Discount Rate

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
<b>MERS</b>			
Discount Rates	5.850%	6.850%	7.850%
Shares of Net Pension Liability	\$ 85,065	\$ 54,783	\$ 29,189
<b>MPERS</b>			
Discount Rates	5.750%	6.750%	7.750%
Shares of Net Pension Liability	\$ 85,810	\$ 57,766	\$ 34,355

## NOTE 7 - COMMITMENTS AND CONTINGENCIES

### Risk Management

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Town carries commercial insurance. There were no major changes in insurance coverage from the prior year and settlements have not exceeded coverage in the current year or in the past three years.

### Grants

The Town receives federal and state grants for specific purposes that are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. It is the opinion of the Town management that its compliance with the terms of grants will result in negligible, if any, disallowed costs.

### Grant Advances – Unearned Revenue

In 2021 and 2022, Town received grant funds related to the American Rescue Plan Act (ARPA), which provides the Town resources for revenue replacement due to COVID-19, expenditures related to COVID-19, as well as investments in infrastructure. During 2024, of the ARPA grant funds received, the Town has elected to retrospectively claim all the funds for expenses incurred during years ended December 2021 and 2022 against the ARPA grant advances. As of December 31, 2024, the Town has no remaining grant advances and recognized grants and contribution non-operating income \$289,554 related to this program in the General Fund.

**NOTE 8 - ON BEHALF PAYMENTS**

The full-time police officers of the police department receive supplemental pay from the State of Louisiana under the provisions of L.R.S. 33:2002. Each full-time police officer after one year of service and completion of the academy, received \$600 per month. These supplemental state funds are paid directly to the police officers and only began passing through the police department in July 2024, they are included in total salaries and as revenue. The total amount received by the qualified full-time police officers was \$7,800.

**NOTE 9 - COMPENSATION OF GOVERNING BODY**

During 2024, Council members received compensation as follows:

	<u>Amount</u>
Cody Gros	\$ 600
Beth LaCombe	600
Kirk LaCombe	600
Tori Robillard	600
Don Sonnier	<u>600</u>
Total	<u>\$ 3,000</u>

**NOTE 10 - EXPENDITURES EXCEEDING APPROPRIATIONS**

Excess of expenditures over appropriations in function within the fund occurred are as follows:

	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Excess Over Budget</u>
General fund:			
Current function:			
Culture and recreation	<u>\$ 34,082</u>	<u>\$ 56,289</u>	<u>\$ (22,207)</u>

**NOTE 11 - SUBSEQUENT EVENT**

**Construction Contract**

In May 2025, the Town entered into an agreement with a construction contractor related to improvements to the Town's water storage facility in the amount of \$1,993,705. The Town anticipates federal and state grant funding for this project in its entirety.

**TOWN OF FORDOCHE, LOUISIANA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF FORDOCHE, LOUISIANA**  
**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended December 31, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance - positive (negative)</b>
<b>REVENUES</b>				
Taxes:				
Sales and use	\$ 115,000	\$ 115,000	\$ 140,576	\$ 25,576
Ad valorem	50,000	50,000	54,549	4,549
Video poker	15,000	15,000	18,442	3,442
Franchise and other	30,000	30,000	29,241	(759)
Charges for services	43,749	43,749	54,602	10,853
Fines	12,100	12,100	4,753	(7,347)
License and permits	35,030	27,930	26,327	(1,603)
Intergovernmental	-	311,654	297,354	(14,300)
Investment income and other	625	625	26,631	26,006
	<u>301,504</u>	<u>606,058</u>	<u>652,475</u>	<u>46,417</u>
Total revenues				
<b>EXPENDITURES</b>				
Current function:				
General government	159,457	159,457	146,591	12,866
Public safety	62,930	62,930	51,912	11,018
Highways and streets	51,068	51,068	52,077	(1,009)
Culture and recreation	34,082	34,082	56,289	(22,207)
Health and welfare	800	800	-	800
Capital outlay	4,000	4,000	-	4,000
	<u>312,337</u>	<u>312,337</u>	<u>306,869</u>	<u>5,468</u>
Total expenditures				
Net change in fund balance	<u>\$ (10,833)</u>	<u>\$ 293,721</u>	345,606	<u>\$ 40,949</u>
<b>FUND BALANCE</b>				
Beginning of year			<u>341,727</u>	
End of year			<u>\$ 687,333</u>	

# TOWN OF FORDOCHE, LOUISIANA

## NOTES TO BUDGETARY INFORMATION

For the year ended December 31, 2024

### NOTE 1 - BUDGET

#### Budget Policy and Budgetary Accounting

A proposed budget is prepared and submitted to the Mayor and Town Council prior to the beginning of each fiscal year. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to the commencement of the budget year. The Town follows the requirements of Louisiana Budget Law. The Town is required to adopt its budget prior to December 31. Once adopted, the Mayor is able to transfer part or all of any appropriation within a department of a fund; however, the authority for other budget amendments resides with the Town Council.

The annual operating budget, prepared on the modified accrual basis, covers the General Fund and Public Utility Fund. At the end of the fiscal year, unexpended appropriations automatically lapse. Budget amendments are approved by the Town Council and are included in the financial statements.

In connection with budget preparation, a portion of the unassigned fund balance of an individual fund may be designated for expenditures of the subsequent year. Such designation represents the extent to which the fund balance is used to balance the subsequent year's operating budget of that fund, as reflected in the legally adopted budget.

#### Expenditures Exceeding Appropriations

Excess of expenditures over appropriations in function within the fund occurred are as follows:

	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Excess Over Budget</u>
General fund:			
Current function:			
Culture and recreation	<u>\$ 34,082</u>	<u>\$ 56,289</u>	<u>\$ (22,207)</u>

**TOWN OF FORDOCHE, LOUISIANA**  
**SCHEDULE OF PROPORTIONATE SHARE**  
**OF NET PENSION LIABILITY**  
**LAST TEN FISCAL YEARS (1)**

	<b>MERS (Plan B)</b>	
<b>As of the plan year ended (2):</b>	<b>2024</b>	<b>2023</b>
Employer's Proportion of the Net Pension Liability	0.0903%	0.0927%
Employer's Proportionate Share of the Net Pension Liability	\$ 54,783	\$ 74,306
Employer's Covered Payroll	\$ 73,015	\$ 79,702
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	75.03%	93.23%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.100%	73.250%
<b>As of the plan year ended (2):</b>	<b>2022</b>	<b>2021</b>
Employer's Proportion of the Net Pension Liability	0.0957%	0.0949%
Employer's Proportionate Share of the Net Pension Liability	\$ 84,054	\$ 54,949
Employer's Covered Payroll	\$ 73,547	\$ 72,899
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	114.29%	75.38%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.760%	79.140%
<b>As of the plan year ended (2):</b>	<b>2020</b>	<b>2019</b>
Employer's Proportion of the Net Pension Liability (Asset)	0.0941%	0.0936%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 85,263	\$ 81,895
Employer's Covered Payroll	\$ 74,506	\$ 73,350
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	114.44%	111.65%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.260%	66.140%
<b>As of the plan year ended (2):</b>	<b>2018</b>	<b>2017</b>
Employer's Proportion of the Net Pension Liability (Asset)	0.0918%	0.0881%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 77,655	\$ 76,236
Employer's Covered Payroll	\$ 70,136	\$ 65,554
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	110.72%	116.29%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.600%	63.500%
<b>As of the plan year ended:</b>	<b>2016</b>	<b>2015</b>
Employer's Proportion of the Net Pension Liability (Asset)	0.0840%	0.0928%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 69,605	\$ 63,091
Employer's Covered Payroll	\$ 61,191	\$ 64,412
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	113.75%	97.95%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.300%	68.700%

(1) The amounts presented have a measurement date of MERS's prior June 30th plan year end.

MERS = Municipal Employees' Retirement System

**TOWN OF FORDOCHE, LOUISIANA**  
**SCHEDULE OF PROPORTIONATE SHARE**  
**OF NET PENSION LIABILITY**  
**LAST TEN FISCAL YEARS (1)(2)**

As of the plan year ended:	MPERS	
	2024	2023
Employer's Proportion of the Net Pension Liability	0.0064%	0.0031%
Employer's Proportionate Share of the Net Pension Liability	\$ 57,766	\$ 33,185
Employer's Covered Payroll	\$ 22,477	\$ 49,879
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	257.00%	66.53%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.840%	73.250%

(1) Schedule is intended to show information for 10 years. Additional years will be displayed as available.

(2) The amounts presented have a measurement date of MERS's prior June 30th plan year end.

MPERS = Municipal Police Employees' Retirement System

**TOWN OF FORDOCHE, LOUISIANA**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS (1)**

	<b>MERS (Plan B)</b>	
	<b>2024</b>	<b>2023</b>
<b>As of the plan year ended (2):</b>		
Contractually Required Contribution	\$ 10,885	\$ 12,910
Contributions in Relation to Contractually Required Contribution	10,885	12,910
Contribution Deficiency (Excess)	\$ -	\$ -
Employer's Covered Payroll	\$ 73,015	\$ 72,608
Contributions as a % of Covered Payroll	15.50%	15.50%
<b>As of the plan year ended (2):</b>	<b>2022</b>	<b>2021</b>
Contractually Required Contribution	\$ 12,252	\$ 11,373
Contributions in Relation to Contractually Required Contribution	12,252	11,373
Contribution Deficiency (Excess)	\$ -	\$ -
Employer's Covered Payroll	\$ 78,832	\$ 75,940
Contributions as a % of Covered Payroll	15.50%	15.00%
<b>As of the plan year ended (2):</b>	<b>2020</b>	<b>2019</b>
Contractually Required Contribution	\$ 10,431	\$ 10,269
Contributions in Relation to Contractually Required Contribution	10,208	10,019
Contribution Deficiency (Excess)	\$ 473	\$ 250
Employer's Covered Payroll	\$ 74,506	\$ 73,350
Contributions as a % of Covered Payroll	14.00%	14.00%
<b>As of the plan year ended (2):</b>	<b>2018</b>	<b>2017</b>
Contractually Required Contribution	\$ 9,293	\$ 7,211
Contributions in Relation to Contractually Required Contribution	9,015	7,194
Contribution Deficiency (Excess)	\$ 278	\$ 17
Employer's Covered Payroll	\$ 70,136	\$ 65,554
Contributions as a % of Covered Payroll	13.25%	11.00%
<b>As of the plan year ended:</b>	<b>2016</b>	<b>2015</b>
Contractually Required Contribution	\$ 5,861	\$ 6,119
Contributions in Relation to Contractually Required Contribution	5,861	6,119
Contribution Deficiency (Excess)	\$ -	\$ -
Employer's Covered Payroll	\$ 61,691	\$ 64,412
Contributions as a % of Covered Payroll	9.50%	9.50%

(1) The amounts presented have a measurement date of the Town's fiscal year.

MERS = Municipal Employees' Retirement System



**TOWN OF FORDOCHE, LOUISIANA**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS (1)(2)**

	<b>MPERS</b>	
	<b>2024</b>	<b>2023</b>
<b>As of the plan year ended:</b>		
Contractually Required Contribution	\$ 7,087	\$ 7,149
Contributions in Relation to Contractually Required Contribution	7,087	7,149
Contribution Deficiency (Excess)	\$ -	\$ -
Employer's Covered Payroll	\$ 22,477	\$ 21,877
Contributions as a % of Covered Payroll	31.530%	32.678%

(1) Schedule is intended to show information for 10 years. Additional years will be displayed as available.

(2) The amounts presented have a measurement date of the Town's fiscal year.

MPERS = Municipal Police Employees' Retirement System

# TOWN OF FORDOCHE, LOUISIANA

## NOTES TO SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND SCHEDULE OF PENSION CONTRIBUTIONS

For the year ended December 31, 2024

### NOTE 1 - NET PENSION LIABILITY

#### Municipal Employees' Retirement System (Plan B):

The changes in assumptions balance was a result of changes in the discount rate. The following are the discount rates used in each measurement of net pension liability (asset):

Measurement Date	Discount Rate		Inflation Rate		Expected Remaining Service Lives
	Rate	Change	Rate	Change	
6/30/2024	6.850%	0.000%	2.500%	0.000%	3
6/30/2023	6.850%	0.000%	2.500%	0.000%	3
6/30/2022	6.850%	-0.100%	2.500%	0.000%	3
6/30/2021	6.950%	-0.050%	2.500%	0.000%	3
6/30/2020	7.000%	-0.280%	2.500%	-0.100%	3
6/30/2019	7.280%	-0.120%	2.600%	-0.180%	3
6/30/2018	7.400%	-0.100%	2.780%	-0.100%	4
6/30/2017	7.500%	0.000%	2.880%	0.000%	4
6/30/2016	7.500%	-0.250%	2.880%	-0.120%	4
6/30/2015	7.750%		3.000%		4
			0.000%		

Measurement Date	Investment Rate of Return		Salary Increases	
	Rate	Change	Rate	Change
6/30/2024	6.850%	0.000%	4.600%	-0.300%
6/30/2023	6.850%	0.000%	4.900%	0.000%
6/30/2022	6.850%	-0.100%	4.900%	0.000%
6/30/2021	6.950%	-0.050%	4.900%	0.000%
6/30/2020	7.000%	-0.280%	4.900%	-0.100%
6/30/2019	7.280%	-0.120%	5.000%	0.000%
6/30/2018	7.400%	-0.100%	5.000%	0.000%
6/30/2017	7.500%	0.000%	5.000%	0.000%
6/30/2016	7.500%	-0.250%	5.000%	-0.800%
6/30/2015	7.750%		5.800%	

**NOTE 1 - NET PENSION LIABILITY (CONTINUED)**

**Municipal Police Employees' Retirement System:**

The changes in assumptions balance was a result of changes in the discount rate. The following are the discount rates used in each measurement of net pension liability (asset):

Measurement Date	Discount Rate		Merit Raise		Inflation Rate	
	Rate	Change	Rate	Change	Rate	Change
6/30/2024	6.750%	0.000%	2.200%	-0.280%	2.500%	0.000%
6/30/2023	6.750%	0.000%	2.480%	0.000%	2.500%	0.000%
6/30/2022	6.750%	0.000%	2.480%	0.280%	2.500%	0.000%
6/30/2021	6.750%	-0.200%	2.200%	0.000%	2.500%	-0.050%
6/30/2020	6.950%	-0.175%	2.200%	-0.050%	2.550%	-0.200%
6/30/2019	7.125%	-0.075%	2.250%	0.100%	2.750%	0.000%
6/30/2018	7.200%	-0.125%	2.150%	0.100%	2.750%	0.000%
6/30/2017	7.325%	-0.175%	2.050%	0.175%	2.750%	0.000%
6/30/2016	7.500%	0.000%	1.875%	0.000%	2.750%	-0.250%
6/30/2015	7.500%		1.875%		3.000%	
			0.000%			

Measurement Date	Investment Rate of Return		Salary Increases	
	Rate	Change	Rate	Change
6/30/2024	6.750%	-1.150%	4.700%	-0.280%
6/30/2023	7.900%	1.150%	4.980%	0.000%
6/30/2022	6.750%	0.000%	4.980%	0.280%
6/30/2021	6.750%	-0.200%	4.700%	-0.050%
6/30/2020	6.950%	-0.175%	4.750%	-0.250%
6/30/2019	7.125%	-0.075%	5.000%	0.100%
6/30/2018	7.200%	-0.125%	4.900%	0.100%
6/30/2017	7.325%	-0.175%	4.800%	0.175%
6/30/2016	7.500%	0.000%	4.625%	-0.250%
6/30/2015	7.500%		4.875%	

**TOWN OF FORDOCHE, LOUISIANA**

**OTHER SUPPLEMENTARY INFORMATION**

**TOWN OF FORDOCHE, LOUISIANA**  
**SCHEDULE OF COMPENSATION, BENEFITS AND**  
**OTHER PAYMENTS TO AGENCY HEAD**

For the year ended December 31, 2024

**Agency Head:** Mayor Teddy Gros

<b>Purpose</b>	<b>Amount</b>
Salary	<u>\$ 6,000</u>

**TOWN OF FORDOCHE, LOUISIANA**  
**ACT 87 JUSTICE SYSTEM FUNDING SCHEDULE**  
**COLLECTING/DISBURSING ENTITY**

For the year ended December 31, 2024

	<b>First Six Month Period Ending, June 30, 2024</b>	<b>Second Six Month Period Ending, December 31, 2024</b>
<b>BEGINNING BALANCE OF AMOUNTS COLLECTED</b>	\$ -	\$ -
<b>COLLECTIONS:</b>		
Criminal Fines - Other	2,509	1,974
Court Costs	95	175
<b>TOTAL COLLECTIONS:</b>	<u>2,604</u>	<u>2,149</u>
<b>DISBURSEMENTS TO GOVERNMENTS AND NON-PROFITS:</b>		
Louisiana Supreme Court	6	6
Capital District Law Enforcement, Traffic fines	24	22
CMIS, Traffic fines	12	9
LA Dept of Health & Hospitals THI/SCI - Criminal fines	60	45
<b>TOTAL DISBURSEMENTS</b>	<u>102</u>	<u>82</u>
<b>AMOUNTS RETAINED BY COLLECTING AGENCY:</b>		
Town of Fordoche, Collections	-	-
<b>AMOUNT "SELF-DISBURSED" TO COLLECTING AGENCY</b>	<u>2,502</u>	<u>2,067</u>
<b>TOTAL DISBURSEMENTS / RETAINAGE</b>	<u>2,604</u>	<u>2,149</u>
<b>TOTAL ENDING BALANCE OF AMOUNTS COLLECTED AND NOT DISBURSED</b>	<u>\$ -</u>	<u>\$ -</u>

**TOWN OF FORDOCHE, LOUISIANA**

**INDEPENDENT AUDITORS' REPORT REQUIRED BY  
*GOVERNMENTAL AUDITING STANDARDS***

For the year ended December 31, 2024

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

The Honorable Mayor and  
Members of the Town Council,  
Town of Fordoche, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the **TOWN OF FORDOCHE, LOUISIANA (TOWN)** as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated June 20, 2025.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 the Town's financial statements are free of 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 determination of financial statement. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **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.

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

Certified Public Accountants

Baton Rouge, Louisiana  
June 20, 2025

**TOWN OF FORDOCHE, LOUISIANA**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

For the year ended December 31, 2024

**1) Summary of Auditors' Results:**

- A) The type of report issued on the financial statements: **Unmodified opinion.**
- B) Significant deficiencies in internal control were disclosed by the audit of financial statements: **None reported.**
- C) Material weaknesses identified? **None.**
- D) Noncompliance that is material to the financial statements: **None.**

- 2) Findings relating to the financial statements reported in accordance with *Government Auditing Standards*: **None.**
- 3) Findings relating to compliance reported in accordance with *Government Auditing Standards*: **None.**

**TOWN OF FORDOCHE, LOUISIANA**

**SCHEDULE OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

For the year ended December 31, 2024

There were none.

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

**TOWN ON FORDOCHE, LOUISIANA**

Fordoché, Louisiana

For the year ended December 31, 2024

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

To the Members of the Council  
Of the Town of Fordoche 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 year ended December 31, 2024. The **TOWN OF FORDOCHE, LOUISIANA's** (the Town) management is responsible for those C/C areas identified in the SAUPs.

The Town has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2024 through December 31, 2024. 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 schedule of associated findings are as follows:

***1) Written Policies and Procedures:***

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

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

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

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- A. Obtain and inspect the board/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 whether the managing board met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
  - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
  - iii. For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

### ***3) Bank Reconciliations:***

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- 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, electronically logged);
  - ii. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within one month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and
  - iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

### ***4) Collections (excluding electronic funds transfers)***

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- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - i. Employees that are responsible for cash collections do not share cash drawers/registers.
  - ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3A under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - i. Observe that receipts are sequentially pre-numbered.
  - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - iii. Trace the deposit slip total to the actual deposit per the bank statement.
  - iv. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - v. Trace the actual deposit per the bank statement to the general ledger.

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

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- 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).
- B. For each location selected under #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, 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/making the purchase.
  - ii. At least two employees are involved in processing and approving payments to vendors.
  - 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.
  - 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
  - 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.



- C. For each location selected under #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 paper or electronic, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity, and
  - ii. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.
- 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.

**6) Credit Cards/Debit Cards/Fuel Cards/P-Cards:**

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- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- i. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]
  - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

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- 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, 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:
- i. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - 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 policy procedure #1A(vii).
  - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

***8) Contracts:***

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- 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. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- i. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - ii. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - 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, was approval documented).
  - 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.

***9) Payroll and Personnel:***

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

- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:
  - i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
  - ii. Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - iv. Observe the rate paid to the employees of officials agree to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee and officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
- 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, and workers' compensation premiums, etc.) have been paid, and associated forms have been filed, by required deadlines.

#### ***10) Ethics:***

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

### ***11) Debt Service:***

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- 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.
- 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).

### ***12) Fraud Notice:***

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- 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.
- 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.

### ***13) Information Technology Disaster Recovery/Business Continuity:***

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

- A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- C. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- 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.

- 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.

***14) Prevention of Sexual Harassment:***

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

**TOWN OF FORDOCHE, LOUISIANA**  
Fordoche, Louisiana

**SCHEDULE OF ASSOCIATED FINDINGS**

For the year ended December 31, 2024

***Findings:***

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

***1) Written Policies and Procedures:***

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- A      The Town did not have written policies and procedures established for the following categories and subcategories:
- ii. (1)(2) – *Purchasing* – The Town has no written policy that includes (1) how purchases are initiated or (2) how vendors are added to the vendor list.
- vi. (1)(2)(3)(4)(5) – *Contracting* – The Town has no written policy that includes (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, or (5) monitoring process.
- viii. (1)(2)(4)(5) – *Credit Cards* – The Town has no written policy that includes (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, or (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. (1)(2)(3)(4) – *Ethics* – The Town has no written policy that includes (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity’s ethics policy.
- x. (1)(2)(3)(4) – *Debt Service* – The Town has no written policy that includes (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. (1)(2)(3)(4)(5)(6) – *IT/Disaster Recovery* – The Town has no written policy that includes (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.
- xiii. (1)(2)(3) – *Sexual Harassment* – The Town has no written policy that includes R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**5) Non-Payroll Disbursements:**

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- C (ii)** Of the disbursements selected, four did not include evidence of segregation of duties.
- D (b)** Of the electronic disbursements selected, none of the disbursements included evidence of approval by the required number of authorized signers per the Town's policy.

**6) Credit Cards:**

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- B (i)** The selected monthly statement did not include evidence or supporting documentation that it was reviewed and approved, in writing, by someone other than the authorized card holder.
- C (ii)** Of the credit card transactions selected, one of the transactions did not include written documentation of the business/public purpose.

**10) Ethics:**

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- A (i)** The Town did not provide evidence that demonstrated each of the five employees/officials completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
- A (ii)** The Town did not provide evidence that documented that each of the five employees/officials were notified of any changes to the Town's policy during the fiscal period.

**13) Information Technology Disaster Recover/Business Continuity:**

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We performed the procedure and discussed the results with management.

**14) Sexual Harassment:**

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- A** The Town did not provide evidence that demonstrated each of the five employees/officials completed one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B** The Town did not provide evidence that demonstrated the posting of its sexual harassment policy and compliance procedures on its website or on its premises.
- C** The Town did not provide evidence of its sexual harassment report for the current fiscal period.

**Management's Response:**

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

We were engaged by the **TOWN OF FORDOCHE, LOUISIANA** to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the **TOWN OF FORDOCHE, LOUISIANA** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Certified Public Accountants

Baton Rouge, Louisiana  
June 20, 2025