TOWN OF MANGHAM, LOUISIANA

Financial Statements
For the Year Ended June 30, 2025

David M. Hartt (A Professional Accounting Corporation)
Certified Public Accountant

West Monroe, Louisiana

TOWN OF MANGHAM, LOUISIANA

Annual Financial Statements
As of and for the Year Ended June 30, 2025
With Supplemental Information Schedules

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TOWN OF MANGHAM, LOUISIANA

Annual Financial Statements
As of and for the Year Ended June 30, 2025
With Supplemental Information Schedules

(continued)

DAVID M. HARTT, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities, each major fund and the aggregate remaining fund information of the Town of Mangham, Louisiana, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess 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 of 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 of Mangham, Louisiana's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

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 the 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 assurances.

Other Information

The Schedule of Compensation, Benefits and Other Payments to Agency Head is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2026 on our consideration of the Town of Mangham, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 Mangham, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Town of Mangham, Louisiana's internal control over financial reporting and compliance.

David M. Hartt, CPA (APAC)

West Monroe, Louisiana
March 10, 2026

REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF MANGHAM, LOUSIANA
Management Discussion and Analysis
As of and for the Year Ended June 30, 2025

Management's Discussion and Analysis is a fact-based analysis of the Town's financial activities during the fiscal year ended June 30, 2025. Its purpose is to provide an overview of activities within the Town based on currently known facts, decision, and conditions.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Government issued June 2001. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. The Town of Mangham has adopted the GASB 68 reporting requirements concerning retirements.

As with other sections of the financial report, the information contained within the MD&A should be considered only a part of the greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplementary Information ("RSI") that is provided in addition to this Management Discussion and Analysis.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the fiscal year by $3,953,757 (net position). Of this amount, $1,774,135 (unrestricted net position) represents the portion of net position that is not invested in capital assets or otherwise restricted.
- The government's total net position decreased by $53,554.
- As of the close of the current fiscal year, the Town's governmental activities reported combined ending net position of $2,793,671 an increase of $87,308 in comparison with the prior year. Of this total amount, $1,582,403 is available for spending at the government's discretion (unassigned fund balance).
- The Town's total debt decreased by approximately $10,641 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Mangham's basic financial statements. The Town of Mangham's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town of Mangham's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the Town of Mangham's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Mangham is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the Town of Mangham that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town of Mangham include general government, public safety, sanitation, public works and Community Center. The business-type activities of the Town of Mangham include water and sewer.

The government-wide financial statements can be found on pages 11 and 12 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Mangham like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Mangham can be divided into two categories: governmental funds and proprietary funds.

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 on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of Mangham maintains 2 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Sales Tax Fund all of which are considered to be major funds.

The Town of Mangham adopts an annual appropriated budget for its general fund and special revenue funds. A budgetary comparison statement has been provided for those funds to demonstrate compliance with this budget.

Proprietary funds. The Town of Mangham maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information the government-wide financial statements, only in more detail.

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.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town of Mangham's compliance with budgets for its major funds.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Mangham, assets exceeded liabilities by approximately $3,953,757 at the close of the most recent fiscal year.

By far the largest amount of the Town of Mangham's net assets ($2,135,666) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Town of Mangham uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Mangham's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activies		Business-Type Activities		Totals	
	6/30/2025	6/30/2024	6/30/2025	6/30/2024	6/30/2025	6/30/2024
Current & other assets	$1,612,627	$1,601,540	$262,879	$332,086	$1,875,506	$1,933,626
Capital assets	1,211,268	1,208,131	1,318,026	1,412,951	2,529,294	2,621,082
Total assets	$2,823,895	$2,809,671	$1,580,905	$1,745,037	$4,404,800	$4,554,708
Deferred Outflows	$20,488	$10,257	$0	$0	$20,488	$10,257
Current & other liabilities	$16,196	$19,831	$27,191	$39,821	$43,387	$59,652
Net pension liability	31,694	22,368	$0	$0	31,694	22,368
Long-term liabilities	0	0	393,628	404,268	393,628	404,268
Total liabilities	$47,890	$42,199	$420,819	$444,089	$468,709	$486,288
Deferred Inflows	$2,822	$9,947	$0	$0	$2,822	$9,947
Net Position:						
Invested in Capital Assets						
net of related debt	$1,211,268	$1,208,131	$924,395	$1,008,683	$2,135,663	$2,216,814
Restricted	0	0	43,956	41,292	43,956	41,292
Unrestricted	1,582,403	1,559,651	191,732	250,973	1,774,135	1,810,624
Total net position	$2,793,671	$2,767,782	$1,160,083	$1,300,948	$3,953,754	$4,068,730

The balance of $1,582,403 in unrestricted net position in the governmental activities represents the accumulated results of all past year's operations. Net position increased by $87,308 overall from the prior year. The changes in net position are discussed later in this MD&A.

Governmental activities. Governmental activities increased the Town of Mangham's net position by $77,334. Key elements of the changes in net position are as follows:

TOWN OF MANGHAM CHANGES IN NET POSITION
06/30/2025 and 2024

	Governmental Activities		Business-Type Activities		Totals	
	6/30/2025	6/30/2024	6/30/2025	6/30/2024	6/30/2025	6/30/2024
Revenues:						
Program Revenues:						
Charges for services	179,610	142,795	$158,771	$158,806	$338,381	$301,601
Operating grants & contributions	0	10,000	0	0	0	10,000
Capital grants & contributions	14,170	31,131	25,000	87,002	39,170	118,133
General Revenues:					0	0
Property taxes	64,150	55,362	10,831	9,756	74,981	65,118
Sales taxes	144,645	125,441			144,645	125,441
Other taxes	63,335	72,101			63,335	72,101
Other general revenues	360,458	243,385	7,290	5,998	367,748	249,383
Total revenues	826,368	680,215	201,892	261,562	1,028,260	941,777
Expenses:						
General Government	230,433	110,586			230,433	110,586
Public Safety and Protection	335,149	278,327			335,149	278,327
Public Works	44,543	39,477			44,543	39,477
Sanitation	45,281	49,738			45,281	49,738
Culture and Recreation	83,654	75,609			83,654	75,609
Water			232,605	272,034	232,605	272,034
Sewer			95,943	75,891	95,943	75,891
Interest on long term debt			14,206	16,994	14,206	16,994
Total expenses	739,060	553,737	342,754	364,919	1,081,814	918,656
Increase (decrease) in net position before transfe	87,308	126,478	(140,862)	(103,357)	(53,554)	23,121
Transfers	0	0	0	0	0	0
Increase (decrease) in net position	$87,308	$126,478	($140,862)	($103,357)	($53,554)	$23,121

Expenses are classified by functions/programs. General government accounts for approximately $230,433 while public safety, public works, sanitation, and community center\recreation accounts for approximately $508,627 for the fiscal year 2025. The related program revenues for fiscal 2025 directly related to these expenses totaled $179,610 which resulted in net program revenues of $87,308. The remaining balance of expenses represents the cost to the taxpayers. The costs of governmental activities exceeding restricted state and federal grants are paid primarily from the following sources:

- Sales tax revenues are the largest and most significant source of revenue for the Town of Mangham. It provides approximately $145,000 of general fund revenue.
- Insurance premium taxes are the second largest revenue source to the Town, generating approximately $25,000 of general fund revenue.

Business-type activities. Business-type activities decreased the Town of Mangham's net position by approximately ($141,000). Key elements of this decrease are as follows.

- Water Fund activities decreased net position by approximately $77,000.
- Sewer Fund activities decreased net position by approximately $64,000.

Financial Analysis of the Government's Funds

As noted earlier, the Town of Mangham uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Town of Mangham's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town of Mangham's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town of Mangham's governmental funds reported combined ending fund balances of $1,659,043 an increase of $77,334 in comparison with the prior year. All of this total amount ($1,659,043) constitutes unreserved fund balance, which is available for spending at the Town's discretion.

General Fund Budgetary Highlights

In accordance with Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA- R.S 39:1301 et seq), the Town of Mangham must adopt a budget for the General Fund and all Special Revenue funds prior to June 30. The original budget for the Town was adopted in June 2024 with one amendment for the year.

Revenues: Overall revenues for the General Fund were projected to decrease during FY 2025 by $303,655 from the previous year. All other revenues were expected to remain the same for 2025.

Expenditures: General governmental expenditures comprise 22% of the General Funds Appropriations.

Capital Asset and Debt Administration

Capital assets. The Town of Mangham's investment in capital assets for its governmental and business type activities as of June 30, 2025, amounts to $2,529,294 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment and street improvements.

The Sewer Fund disposed of obsolete equipment and made no new purchases. The Water Fund disposed of obsolete equipment and purchased a laptop and new electronic water meters. Police department disposed of obsolete equipment, sold (2) police cars and made purchases of (2) police cars, laptop, radar guns, gun safe, pepper ball gun, and vests. The administration fund purchased surveillance cameras, computer and playground equipment and disposed of obsolete items. The Street Fund disposed of obsolete items. The Culture and Recreation Fund disposed of obsolete items and has started improvements to the ballpark.

Town of Mangham Capital Assets

	6/30/2025	6/30/2024
Land	$43,750	$43,750
Building & Improvements	1,312,269	1,312,138
Machines & Equipment	157,920	169,972
Vehicles	130,331	88,008
Infrastructure	257,233	257,233
Construction in Progress	0	0
Sewer System	1,134,281	1,136,517
Water System	2,465,168	2,432,615
Total	5,500,952	5,440,233
Less Accumulated Depreciation	(2,971,658)	(2,819,151)
Total Capital Assets	$2,529,294	$2,621,082

Town of Mangham Outstanding Debt

Water Notes	$393,628	$404,268
Sewer Notes	0	0
	$393,628	$404,268

Economic Factors and Next Year's Budgets and Rates

Factors considered in preparing the Town of Mangham's budget for the 2025 fiscal year included the impact that the Meta Traffic income will provide and determining the amount of revenue that will be generated from sales tax. Sales taxes account for approximately 17% of the Town's total revenue. With current economic conditions, sales tax revenue is projected to remain flat for the next fiscal year. All other revenues are expected to remain constant.

Requests for Information

This financial report is designed to provide a general overview of the Town of Mangham's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Clerk, Post Office 94 Mangham, Louisiana 71295.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF MANGHAM, LOUISIANA

Statement of Net Position

June 30, 2025

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	$641,985	$1,196,758	$1,838,743
Receivables (net of allowances for uncollectibles)	20,196	16,567	36,763
Internal balances	950,446	(950,446)	0
Capital assets (net)	1,211,268	1,318,026	2,529,294
TOTAL ASSETS	2,823,895	1,580,905	4,404,800
DEFERRED OUTFLOWS OF RESOURCES			
Pension	20,488	0	20,488
TOTAL DEFERRED OUTFLOWS OF RESOURCES	20,488	0	20,488
LIABILITIES			
Accounts, salaries, and other payables	16,196	27,191	43,387
Capital leases payable	-	-	-
Loans payable	-	393,628	393,628
Net pension liability	31,694	-	31,694
TOTAL LIABILITIES	47,890	420,819	468,709
DEFERRED INFLOWS OF RESOURCES			
Pension	2,822	0	2,822
TOTAL DEFERRED INFLOWS OF RESOURCES	2,822	0	2,822
NET POSITION			
Net investment in capital assets	1,211,268	924,398	2,135,666
Restricted for debt service	-	43,956	43,956
Unrestricted	1,581,231	191,732	1,772,963
TOTAL NET POSITION	2,792,499	1,160,086	$3,952,585

The accompanying notes are an integral part of this financial statement.

TOWN OF MANGHAM, LOUISIANA

Statement of Activities

For the Year Ended June 30, 2025

		Program Revenues				Net (Expenses) Revenues and Changes of Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Net (Expenses)/ Revenue	Governmental Activities	Business-type Activities	Total
Governmental Activities								
General government	$230,433	$20,100		$10,000	($200,333)	($200,333)		($200,333)
Public safety and protection	335,149	70,429		4,170	($260,550)	(260,550)		(260,550)
Public works	44,543	2,100			($42,443)	(42,443)		(42,443)
Sanitation	45,281	50,891			$5,610	5,610		5,610
Culture & Recreation	83,654	36,090			($47,564)	(47,564)		(47,564)
Total Governmental Activites	739,060	179,610	0	14,170	(545,280)	(545,280)		(545,280)
Business-type Activities								
Water	246,812	128,340		25,000	($93,472)		(93,472)	(93,472)
Sewer	95,943	30,432			($65,511)		(65,511)	(65,511)
Total Business-type Activities	342,755	158,772	0	25,000	(158,983)		(158,983)	(158,983)
Total Primary Government	$1,081,815	$338,382	$0	$39,170	($704,263)	($545,280)	($158,983)	($704,263)
General Revenues:								
Property taxes						$64,150	$10,831	$74,981
Sales taxes						144,645		144,645
Franchise taxes						17,838		17,838
Occupational licenses						20,943		20,943
Insurance premium tax						24,554		24,554
Investment earnings						3,116	7,290	10,406
Meta revenues						334,063		334,063
Other general revenues						23,279		23,279
Transfers								0
Total general revenues and transfers						632,588	18,121	650,709
Change in Net Position						87,308	(140,862)	(53,554)
Net position-beginning						2,767,782	1,300,948	4,068,730
Prior period adjustment						(62,591)	0	(62,591)
Net position-ending						$2,792,499	$1,160,086	$3,952,585

Statement B

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

TOWN OF MANGHAM, LOUISIANA

Balance Sheet, Governmental Funds

June 30, 2025

	GENERAL FUND	MAJOR FUNDS SALES TAX FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and cash equivalents	$592,383	$49,602	$641,985
Receivables (net of allowances for uncollectibles)	4,596	15,600	20,196
Due from other funds	950,446	30,380	980,826
TOTAL ASSETS	$1,547,425	$95,582	$1,643,007
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries, and other payables	16,196	0	16,196
Due to other funds	30,380	0	30,380
Total Liabilities	46,576	0	46,576
Fund balances:			
Assigned		95,582	95,582
Unassigned	1,500,849		1,500,849
Total Fund Balances	1,500,849	95,582	1,596,431
TOTAL LIABILITIES AND FUND BALANCES	$1,547,425	$95,582	$1,643,007

Reconciliation of The Governmental Fund Balance Sheet to The Government-Wide Financial Statement of Net Position, June 30, 2025

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balances, Total Governmental Funds:		$1,596,431
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental assets	1,901,503	
Less Accumulated Depreciation	(690,235)	1,211,268
Retirement payments are reported as expenditures in the governmental funds. In the government-wide statements the payments and other state retirement system deferrals are reported as Deferred Outflows-Pension		20,488
Government-wide statements report the Town's share of state retirement system deferrals as Deferred Inflows-Pension		(2,822)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds:		
Net Pension Liability		(31,694)
Net Position of Governmental Activities (Statement A)		$2,793,671

The accompanying notes are an integral part of this financial statement.

TOWN OF MANGHAM, LOUISIANA

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds

For the Year Ended June 30, 2025

	GENERAL FUND	MAJOR FUNDS SALES TAX FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Taxes:			
Sales and use	$ -	$144,645	$144,645
Franchise tax	17,838		17,838
Ad valorem tax	64,150		64,150
Licenses and permits	45,882		45,882
Intergovernmental revenues:			
State funds:			
Grant	14,170		14,170
Charges for services	50,891		50,891
Fines and forfeitures	88,644		88,644
Meta revenues	334,063		334,063
Investment earnings	1,662	1,454	3,116
Other revenues	62,969		62,969
Total Revenues	680,269	146,099	826,368
EXPENDITURES			
General government	215,173	1,841	217,014
Public safety and protection	300,016		300,016
Public works	36,064		36,064
Sanitation	45,281		45,281
Culture and recreation	26,288		26,288
Capital outlay	124,371		124,371
Total Expenditures	747,193	1,841	749,034
Excess (Deficiency) of Revenues Over (Under) Expenditures	(66,924)	144,258	77,334
OTHER FINANCING SOURCES (USES)			
Transfers in	144,258		144,258
Transfers out	0	(144,258)	(144,258)
Total Other Financing Sources and Uses	144,258	(144,258)	0
Net Change in Fund Balance	77,334	0	77,334
Fund balances -- beginning (restated)	1,423,515	95,582	1,519,097
Fund balances -- ending	$1,500,849	$95,582	$1,596,431

Reconciliation of The Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Fund To the Statement of Activities

For the Year Ended June 30, 2025

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

Net Change in Fund Balances, Total Governmental Funds		$77,334
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital Outlay	124,371	
Depreciation Expense	(108,016)	16,355
Governmental funds report retirement expenditures as a payment when remitted to the retirement system. However, in the government-wide statement of activities, retirement Is reported based on the allocation stated in the retirement system report.		(6,381)
Government-wide statement of activities reports the Town's share of Non-employers pension contribution as part of general revenue.		0
Change in Net Position of Governmental Activities, Statement B		$87,308

The accompanying notes are an integral part of this financial statement.

TOWN OF MANGHAM, LOUISIANA

Statement of Net Position, Proprietary Funds

June 30, 2025

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS		
	(Major Enterprise Funds)		TOTAL
	WATER FUND	SEWER FUND	ENTERPRISE FUNDS
ASSETS			
Current Assets:			
Cash and cash equivalents	$1,049,250	$147,507	$1,196,757
Receivables (net of allowances for uncollectibles)	12,906	3,661	16,567
Total Current Assets	1,062,156	151,168	1,213,324
Non-Current Assets:			
Capital assets (net of accumulated depreciation)	947,624	370,402	1,318,026
Total Non-Current Assets	947,624	370,402	1,318,026
TOTAL ASSETS	$2,009,780	$521,570	$2,531,350
LIABILITIES			
Current Liabilities:			
Accounts, salaries, and other payables	$3,271	$1,143	$4,414
Customer Deposits Refundable	22,778	0	22,778
Due to other funds	497,771	452,674	950,445
Total Current Liabilities	523,820	453,817	977,637
Non Current Liabilities:			
Notes Payable-USDA	393,628	0	393,628
Total Non-Current Liabilities	393,628	0	393,628
NET POSITION			
Invested in capital assets, net of related debt	553,996	370,402	924,398
Restricted for debt service	43,956	0	43,956
Unrestricted	494,380	(302,649)	191,731
TOTAL NET POSITION	$1,092,332	$67,753	$1,160,085

The accompanying notes are an integral part of this financial statement.

TOWN OF MANGHAM, LOUISIANA

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds

For the Year Ended June 30, 2025

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS		
	(Major Enterprise Funds)		TOTAL
	WATER FUND	SEWER FUND	ENTERPRISE FUNDS
Operating Revenues			
Charges for services:			
Water sales	$128,339	$0	$128,339
Sewer charges	0	30,432	30,432
Other services	0	0	0
Total Operating Revenues	128,339	30,432	158,771
Operating Expenses			
Salaries and wages	11,040	11,040	22,080
Materials and supplies	62,154	20,131	82,285
Other services and charges	54,600	30,664	85,264
Depreciation	104,811	34,108	138,919
Total Operating Expenses	232,605	95,943	328,548
Operating Income (Loss)	(104,266)	(65,511)	(169,777)
Nonoperating Revenues (Expenses)			
Property Taxes	10,831	0	10,831
Grant	25,000	0	25,000
Interest earnings	5,164	2,126	7,290
Interest expense	(14,206)	0	(14,206)
Total Nonoperating Revenues (Expenses)	26,789	2,126	28,915
Income (Loss) Before Contributions and Transfers	(77,477)	(63,385)	(140,862)
Capital Contributions	0	0	0
Transfers In	0	0	0
Transfer Out	0	0	0
Change in Net Position	(77,477)	(63,385)	(140,862)
Total Net Position-Beginning (Restated)	1,169,810	131,138	1,300,948
Total Net Position-Ending	$1,092,333	$67,753	$1,160,086

Reconciliation

Changes in Net Position Above	($140,862)
Adjustment to consolidate internal service activities related to enterprise activities	0
Changes in Net Position of Business-type Activities, Statement B	($140,862)

The accompanying notes are an integral part of this financial statement.

TOWN OF MANGHAM, LOUISIANA

Statement of Cash Flows, Proprietary Funds

For the Year Ended June 30, 2025

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS		
	(Major Enterprise Funds)		
	WATER FUND	SEWER FUND	TOTAL ENTERPRISE FUNDS
Cash Flows From Operating Activities			
Receipts from customers and users	$128,339	$30,432	$158,771
Payments to suppliers	(68,019)	(25,600)	(93,619)
Payments to employees	(11,040)	(11,040)	(22,080)
Net Cash Provided by Operating Activities	49,280	(6,208)	43,072
Cash Flows From NonCapital Financing Activities			
Property Taxes	10,831	0	10,831
Miscellaneous	0	0	0
Transfers to/from other funds	0	0	0
Net Cash Provided (used) by Noncapital Financing Activities	10,831	0	10,831
Cash Flows From Capital and Related Financing Activities			
Purchases of capital assets	(44,169)	0	(44,169)
Proceeds from grant	25,000	0	25,000
Proceeds from sale of capital assets	0	0	0
Principal paid on capital debt	(10,641)	0	(10,641)
Interest paid on capital debt	(14,206)	0	(14,206)
Net Cash Provided (used) by Capital and Related Financing Activities	(44,016)	0	(44,016)
Cash Flows From Investing Activities			
Interest and dividends received	5,164	2,126	7,290
Net Cash Provided (used) by Investing Activities	5,164	2,126	7,290
Net Increase in Cash and Cash Equivalents	21,259	(4,082)	17,177
Cash and Cash Equivalents, Beginning of Year	1,027,991	151,589	1,179,580
Cash and Cash Equivalents, End of Year	$1,049,250	$147,507	$1,196,757
Reconciliation of Operating Income to Net Cash Provided (used) by Operating Activities			
Operating income	($104,266)	($65,511)	($169,777)
Depreciation expense	104,811	34,108	138,919
(Increase) decrease in accounts receivable	(1)	35	34
(Increase) decrease in due from other funds	0	0	0
Increase (decrease) in allowance for uncollectible accounts	0	0	0
Increase (decrease) in customer deposits	(1,792)	0	(1,792)
Increase (decrease) in accounts payable	(11,141)	303	(10,838)
Increase (decrease) in due to other funds	61,669	24,857	86,526
Total Adjustments	153,546	59,303	212,849
Net Cash Provided by Operating Activities	$49,280	($6,208)	$43,072

Reconciliation of cash and restricted cash reported within the balance sheet that sum to the total of the same such amounts in the statements of cash flows:

Cash and Cash Equivalents	$	1,092,994
Restricted Cash - Customer Deposits		59,807
Restricted Cash - Debt Service Reserve		43,956
Total Cash and Restricted Cash	**$**	**1,196,757**

The accompanying notes are an integral part of this financial statement.

TOWN OF MANGHAM, LOUISIANA

Notes to the Financial Statements
As of and for the Year Ended June 30, 2025

INTRODUCTION

The Town of Mangham, Louisiana was incorporated March 4, 1907, under the provisions of the Lawrason Act. The Town operates under a Board of Aldermen-Mayor form of government and provides the following services as authorized by its charter: public safety, highways and streets, sanitation, public improvements and general administrative services. The Town has a population of approximately 650 people and employs seven people excluding the mayor and the five aldermen.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Town is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Town has oversight of other component units that are, either, blended into the Town's basic financial statements or discretely presented in a separate column in the government-wide financial statements. The Town of Mangham has no component units as of June 30, 2025.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The Town reports the following major governmental funds:

> The General Fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Sales Tax Fund accounts for all sales taxes collected during the year.

The Town reports the following major proprietary funds:

> The Water Fund provides water services to the citizens inside the Town's boundaries. It accounts for all revenues and expenses associated with providing water service.
>
> The Sewer Fund provides sewer services to the citizens inside the Town's boundaries. It accounts for all revenues and expenses associated with providing sewer service.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principle operating revenues derived from the proprietary funds include water and sewer fees along with new installation fees. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

C. Deposits and Investments

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

Investments for the Town, as well as for its component units, are reported at fair value. The state investment pool (LAMP) operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

D. Receivables and Payables

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

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The Town uses the allowance method for uncollectible water fees and writes off accounts when it deems them to be totally uncollectible.

E. Property Taxes

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage	Expiration Date
Taxes due for:			
General Alimony	8.62	8.62	2028
Water Plant Fund	3.35	3.35	
Street Maintenance	2.24	2.24	
General fund	7.85	7.85	

Sales Taxes The Town of Mangham collects a 1% sales tax, which is not designated for a specific purpose at this time. The tax may be used for any expenditure necessary.

F. Restricted Assets

The Town's Water Fund has restricted assets in accordance with the loan agreement in the amount of $43,956. An amount of $222 per month is deposited into a reserve account per the agreement. This is to cover the loan in case of default.

G. Capital Assets

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

As permitted by GASB 34, the Town has elected not to report infrastructure assets retroactively.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The Town had no interest to capitalize under construction.

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

Description	Estimated Lives
Buildings and building improvements	40 Years
Furniture and fixtures	5 – 10 Years
Vehicles	5 Years
Equipment	7 – 15 Years
Sewer system	20 – 40 Years
Water system	20 – 40 Years

H. Compensated Absences

Full time employees of the Town earn 5/6 working days per year of 30 days for each month worked for annual leave. Annual leave cannot be accumulated therefore no accrual has been made.

Employees can earn up to 15 days of sick leave each year. Employees are not paid for accumulated sick leave upon termination, therefore, no accrual has been made.

I. Long-Term Obligations

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

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

J. Pension

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

K. Fund Equity

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Restricted Fund Balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the town aldermen – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the town aldermen remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Fund Balance – This classification reflects the amounts constrained by the town's "intent" to be used for specific purposes, but are neither restricted nor committed. The town aldermen and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned Fund Balance – This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the town's policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

L. Estimates

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGET INFORMATION. The Town uses the following budget practices:

Preliminary budgets for the ensuing fiscal year are prepared by the Town Clerk during May of each year. Prior to June 15, the Mayor submits to the Board of Aldermen, a proposed budget for the fiscal year commencing the following July 1. The availability of the proposed budget for public inspection and the date of the next meeting on the budget are then advertised in the official journal. The budget is then adopted during the meeting prior to June 30. All annual appropriations lapse at year-end.

The budget comparison statements included in the accompanying financial statements reflect the original adopted budget and all amendments made. Accounting principles applied for purposes of developing data on a budgetary basis and those used to present financial statements in conformity with generally accepted accounting principles are the same and no adjustment is necessary to convert the actual GAAP data to the budgetary basis.

3. CASH AND CASH EQUIVALENTS

At June 30, 2025 the Town has cash and cash equivalents (book balances) totaling $1,838,743 as follows:

	General Fund	Sales Tax Fund	Proprietary Funds	Totals
Demand deposits	$531,593		$968,399	$1,499,992
Interest-bearing demand deposits	5,744			5,744
Time deposits	55,047	49,601	228,359	333,007
Other				
	$592,384	$49,601	$1,196,758	$1,838,743

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

At June 30, 2025, the Town has $1,530,577 in deposits (collected bank balances). These deposits are secured from risk by $250,000 of federal deposit insurance and $1,838,346 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, RS 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the municipality that the fiscal agent has failed to pay deposited funds upon demand.

4. RECEIVABLES

The receivables of $36,763 at June 30, 2025 are as follows:

Class of Receivable	General Fund	Special Revenue Funds	Proprietary Funds	Total
Services	$4,166	$	$12,361	$16,527
Accrued Interest	430	87	4,206	4,723
Sales Tax		15,513		15,513
Total	$4,596	$15,600	$16,567	$36,763

The proprietary funds have an allowance account of $550 and used the direct write-off method when an account is deemed uncollectible.

5. INTERFUND RECEIVABLES/PAYABLES

Short-term cash loans between funds are considered temporary in nature. These amounts are reported as "due from/to other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

6. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2025 for the primary government is as follows:

	Balance 6/30/2024	Additions	Retirements	Balance 6/30/2025
Governmental Activities:				
Nondepreciable assets:				
Land	$43,750			$43,750
Depreciable assets:				
Buildings & improvements	1,312,144		(2,575)	1,309,569
Construction in progress	0			0
Equipment	169,966	29,570	(38,914)	160,622
Vehicles	88,008	94,801	(52,480)	130,329
Street Improvements	257,233			257,233
Total capital assets being depreciated	1,827,351	124,371	(93,969)	1,857,753
Less accumulated depreciation	(662,970)	(108,016)	(80,751)	(690,235)
Total capital assets being depreciated, net	1,164,381	16,355	(174,720)	1,167,518
Total governmental activities captial assets, net	$1,208,131	$16,355	($174,720)	$1,211,268
Business-type activities:				
Nondepreciable assets:				
Land	$10,450			$10,450
Depreciable assets:				
Structures & Sewer System	1,113,161			1,113,161
Water Plant & Distribution	2,215,464	43,383		2,258,847
Furniture & Equipment	164,544	786	(13,852)	151,478
Construction in Progress	0			0
Vehicles	65,512			65,512
Total capital assets being depreciated	3,558,681	44,169	(13,852)	3,588,998
Less accumulated depreciation	(2,156,180)	(138,919)	(13,677)	(2,281,422)
Total capital assets being depreciated, net	1,402,501	(94,750)	(27,529)	1,307,576
Total business-type activities captial assets, net	$1,412,951	($94,750)	($27,529)	$1,318,026

Depreciation expense is charges to functions of the governmental and business-type activities as follows:

Governmental Activities:		Business-Type Activities:	
General Government	7,040	Sewer	34,108
Public saftey and protection	35,132	Water	104,811
Public works	8,479		
Sanitation	0		
Culture and recreation	57,365		
Totals	108,016		138,919

7. INTERFUND RECEIVABLES, PAYABLE, AND TRANSFERS

The composition of interfund balances as of June 30, 2025 is as follows:

Receivable Fund	Payable Fund	Amount
Sewer Fund	General Fund	$450,661
Water Fund	General Fund	499,785
Special Revenues	General Fund	(30,380)
Sales Tax Fund	General Fund	30,380
Water Fund	Sewer Fund	2,014
Sewer Fund	Water Fund	(2,014)
		$950,446

8. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of $43,387 at June 30, 2025 are as follows:

	General Fund	Proprietary Funds	Total
Accounts	$ 16,196	$ 4,413	$ 20,609
Other		22,778	22,778
	$16,196	$27,191	$43,387

9. LEASES

The Town records items under capital leases as an asset and an obligation in the accompanying financial statements. All leases have been paid in full as of June 30, 2025.

	Bonded Debt	USDA	Total
Long-term Obligations at Beginning of Year	$0	$404,268	$404,268
Additions	0	0	0
Deductions	0	10,640	10,640
Long-term Obligations at End of Year	$0	$393,628	$393,628

10. LONG-TERM OBLIGATIONS

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

Year Ending June 30, 2025	Principal Payments	Interest Payments	Total
2026	10,429	16,319	26,748
2027	11,315	15,433	26,748
2028	11,613	15,135	26,748
2029	12,344	14,404	26,748
2030	12,893	13,855	26,748
2031-2049	335,391	155,037	490,428
Total	$393,985	$230,183	$624,168

The water fund accounts for the USDA funding and the general fund has no long-term debt as of June 30, 2025.

A water project loan from the USDA originated on 05/09/08 at 4.125 percent interest. This loan was granted to make major improvements to the water system lines and water plant. At completion, a payment of $16,494 was made which consisted of accrued interest to date and $584 of principal. The monthly payments of $2,229 began 05/09/09 for a period of 40 years.

11. PENSIONS

The Town's employees are provided with benefits through the following plan:

- Municipal Employees Retirement System (Plan B) ("MERS") is a cost-sharing, multiple-employer defined benefit pension plan. MERS provides retirement benefits to employees of all incorporated villages, towns and cities within the state which did not have their own retirement system and which elected to become members of the system.

General information about the Plan:

- MERS membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for members, with exceptions outlined in the Louisiana Revised Statutes. The Town participates in Plan B and provides retirement benefits to any member of Plan B who was hired before January 1, 2013 meeting one of the following criteria (tier 1):

- Any age with 30 or more years of creditable service
- Age 60 with a minimum of 10 years creditable service

For members hired after January 1, 2013, benefits are provided to any member of Plan B meeting one of the following criteria (tier 2):

- Age 67 with 7 or more years of creditable service
- Age 62 with 10 or more years of creditable service
- Age 55 with 30 or more years of creditable service
- Any age with 25 years of service, exclusive of military service and unused sick leave, with an actuarially reduced early benefit.

General the monthly retirement allowance for any member of Plan B consists of an amount equal to 2% of the member's monthly average final compensation times years of creditable service. Survivor, death and disability benefits are also provided under the plan.

In lieu of terminating employment and accepting a service retirement allowance, any member who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During such period, employer contributions continue but employee contributions cease. Monthly benefits that the member would have received during the DROP period are paid into the DROP fund. Interest is earned when the member has completed DROP participation, based on the actual rate of return on the investments identified as DROP funds for the period. No cost-of-living increases are payable to participants until employment has been terminated for at least one full year.

For the year ended June 30, 2025, the actual employer contribution rate was 15.50%, the actuarially required contribution rate. State statutes require that rates be actuarially determined each year.

The plan receives ad valorem and state revenue sharing funds as employer contributions and those amounts are considered support from nonemployer contributing entities, but are not considered as special funding situations.

The estimated real rate of return for each major asset class is as follows:

Asset Class	Long-Term Target Asset Allocation	Expected Portfolio Real Rate of Return
Public fixed income	29%	1.26%
Public equity	56%	2.44%
Alternatives	15%	0.65%
Totals	100%	4.35%
Inflation		2.50%
Expected Arithmetic Nominal Return		6.85%

Pension liabilities, pension expense and deferred outflows of resources and deferred inflows of resources:

As of June 30, 2025 the Town reported a total of $31,694 for its proportionate share of the net pension liability of the Plan.

The net pension liability was measured as of June 30, 2024 (the measurement date), and the total pension liability used to calculate the net pension liability were determined by actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term contributions to the plans relative to the projected contributions of all participating employers, actuarially determined. The Town's proportion of the Plan as of June 30, 2024 was 0.050653%.

For the year ended June 30, 2025, the Town recognized pension expense of $1,843.

In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30, 2025:

	Deferred outflows of resources	Deferred inflows of resources
Changes in proportion	$ 10,881	$ 1,426
Changes in assumptions	-	1,144
Differences between expected and actual experience	292	252
Net difference between projected and actual earnings on pension plan investments	1,106	-
Contributions subsequent to the measurement date	8,209	-
	$ 20,488	2,822

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

Year ended June 30:	
2026	$ 3,573
2027	7,495
2028	(917)
2029	(694)
2030	-
Thereafter	-

Actuarial assumptions:

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

Inflation	2.50%
Salary increases	4.40% - 4.60%
Investment rate of return	6.85%
Actuarial cost method	Entry age normal
Expected remaining service lives	3 years

Mortality rates were based on the PubG-2010(B) Employee Table for active members, Healthy Annuitant Table for healthy annuitants, and PubNS-2010(B) Disabled Retiree Table for disabled annuitants, set to 115% for males and 120% for females, using respective MP2021 scales.

The investment rate of return was determined based on expected cash flows which assume that contributions from plan members will be made at current contribution rates and that contributions will be made at the actuarially determined rates approved by the Louisiana Public Retirement Systems' Actuarial Committee, taking into consideration the recommendation of the System's actuary. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the investment rate of return on plan investments was applied as the discount rate to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension liabilities to changes in the discount rate:

The following presents the proportionate share of the net pension liability of the plan as of June 30, 2025, calculated using the discount rates as shown above, as well as what the proportionate share of the net pension liability would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

1% Decrease (5.85%)	Current Discount Rate (6.85%)	1% Increase (7.85%)
$ 47,724	$ 30,735	$ 16,376

Pension plan fiduciary net position:

Detailed information about the Plan's fiduciary net position is available in the separately issued financial statements of the Plan.

12. RISK MANAGEMENT

The Town is exposed to a variety of risks that may result in losses. These risks include possible losses from acts of God, injury to employees, property damage, or breach of contract. The Town manages these potential losses through purchasing insurance from several commercial insurance companies. The level of coverage has remained constant. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. The Town is not a member of a risk pool.

13. POST EMPLOYMENT BENEFITS

The Town does not provide health care, life insurance, or any other post employment benefits for its retirees.

14. SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 10, 2026, which is the day the financial statements were available to be issued, and it has been determined that no other significant events have occurred for disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

15. PRIOR PERIOD ADJUSTMENT

Fines receivable was deemed mostly uncollectible due to how old they were and written off to fund balance which reduces fund balance by $62,591. No additional Fines receivable entry was made to the books.

	June 30, 2024, As Previously Reported	Change in Accounting Estimate	June 30, 2024 as Restated
Net Position			
Government Wide	$ 2,855,090	($ 62,591)	$ 2,792,499
Fund Balance			
Governmental Funds	$ 1,486,127	($ 62,591)	$ 1,423,536

REQUIRED SUPPLEMENTAL INFORMATION (PART B)
BUDGETARY COMPARISON SCHEDULES

TOWN OF MANGHAM, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Budget and Actual (GAAP Basis)
General Fund (and all major governmental funds)
For the Year Ended June 30, 2025

Required Supplemental Information

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts Budgetary Basis	Variance With Final Budget Over(Under)
Revenues				
Taxes:				
Sales and use	$112,000	$128,000	$144,645	$16,645
Franchise tax	21,500	19,000	17,838	(1,162)
Ad valorem tax	54,820	65,200	64,150	(1,050)
Other taxes, penalties, interest, etc.	0	0	0	0
Licenses and permits	40,200	49,000	45,882	(3,118)
Intergovernmental revenues:				
State funds:				
State revenue sharing (net)	0	10,000	10,000	0
Grant	0	0	4,170	4,170
Charges for services	42,000	61,000	50,891	(10,109)
Fines and forfeitures	225,000	20,000	88,644	68,644
Investment earnings	325	325	3,116	2,791
Meta revenues	145,000	340,000	334,063	(5,937)
Other revenues	25,800	43,400	62,969	19,569
Total Revenues	666,645	735,925	826,368	90,443
Expenditures				
General Government	127,459	223,800	217,014	6,786
Public safety and protection	219,002	0	300,016	(300,016)
Public works	19,175	36,000	36,064	(64)
Sanitation	50,000	56,500	45,281	11,219
Culture and recreation	20,350	29,500	26,288	3,212
Capital Outlay	0	6,800	124,371	(117,571)
Total Expenditures	435,986	352,600	749,034	(396,434)
Excess (Deficiency) of Revenues Over (Under) Expenditures	230,659	383,325	77,334	(305,991)
OTHER FINANCING SOURCES (USES)				
Transfers In	110,900	126,900	144,258	(17,358)
Transfers Out	(110,900)	(126,900)	(144,258)	17,358
Total Other Financing Sources and Uses	0	0	0	0
Net Change in Fund Balance	230,659	383,325	77,334	305,991
Fund Balance (Deficit) at Beginning of Year (Restated)	1,581,709	1,581,709	1,519,097	(62,612)
Fund Balance (Deficit) at End of Year	$1,812,368	$1,965,034	$1,596,431	($368,603)

Preliminary budgets for the ensuing fiscal year are prepared by the Town Clerk during May of each year. Prior to June 15, the Mayor submits to the Board of Aldermen, a proposed budget for the fiscal year commencing the following July 1. The availability of the proposed budget for public inspection and the date of the next meeting on the budget are then advertised in the official journal. The budget is then adopted during the meeting prior to June 30. All annual appropriations lapse at year-end.

The budget comparison statements reflect the original adopted budget and all amendments made. Accounting principles applied for purposes of developing data on a budgetary basis and those used to present financial statements in conformity with generally accepted accounting principles are the same and no adjustment is necessary to convert the actual GAAP data to the budgetary basis.

OTHER SUPPLEMENTAL SCHEDULES

TOWN OF MANGHAM, LOUISIANA

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

Chief Executive Office: Anthony Killian, Mayor	Amount
Salary (Gross)	$5,000
Benefits:	
Social Security & Medicare	383
Health Insurance	
Car Allowance	
Pension	
Total Employer Cost	5,383
Travel expenditures (Conferences, etc)	
Conferences	
Supplies for Festival	195
Grand Total	$5,578

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

TOWN OF MANGHAM, LOUISIANA

Schedule of Compensation Paid Board of Aldermen
For the Year Ended June 30, 2025

Board of Aldermen	Amount
Eddie Rhymes	500
Wanda Romero	1,250
Christian Marchbank	1,050
Nichol Mooney	300
Mary Nichols	950
Kathryn Carter	450
Pam Vaughn	1,250
Total	$5,750

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

Schedule IV

TOWN OF MANGHAM, LOUISIANA

Schedule of Employer's Proportionate Share of Net Pension Liability
For the Year Ended June 30, 2025

Fiscal Year*	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability	
2014	0.02823%	13,255	102,248	13.00%	73.99%	July 1-June 30 2014
2015	0.02899%	19,704	16,795	117.00%	66.18%	July 1-June 30 2015
2016	0.02999%	24,856	22,491	111.00%	63.34%	July 1-June 30 2016
2017	0.03036%	26,270	22,473	117.00%	63.49%	July 1-June 30 2017
2018	0.03093%	26,161	22,922	114.00%	65.60%	July 1-June 30 2018
2019	0.03637%	31,813	27,800	114.00%	66.14%	July 1-June 30 2019
2020	0.06364%	57,675	49,322	117.00%	66.26%	July 1-June 30 2020
2021	0.06169%	35,740	47,412	75.00%	79.14%	July 1-June 30 2021
2022	0.03284%	28,830	26,400	109%	69.56%	July 1-June 30 2022
2023	0.02688%	21,554	23,072	93%	73.25%	July 1-June 30 2023
2024	0.05065%	30,735	46,142	66.61%	80.10%	July 1-June 30 2024

*Amounts presented were determined as of the measurement date (previous fiscal year end).

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

TOWN OF MANGHAM, LOUISIANA

Schedule of Employer Contributions
For the Year Ended June 30, 2025

Fiscal Year*	Statutorily Required Contributions	Contributions in Relation to Statutorily Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Employee Payroll
2014	8,947	8,947	0	102,248	8.75%
2015	1,596	1,596	0	16,795	9.50%
2016	2,102	2,102	0	22,491	9.35%
2017	2,479	2,479	0	22,473	11.03%
2018	3,037	3,037	0	22,922	13.25%
2019	3,892	3,892	0	27,800	14.00%
2020	6,905	6,905	0	49,322	14.00%
2021	7,349	7,349	0	47,412	15.50%
2022	4,092	4,092	0	26,400	15.50%
2023	3,576	3,576	0	23,072	15.50%
2024	7,152	7,152	0	46,143	15.50%
2025	7152	7152	0	46142	15.50%

*Amounts presented were determined as of the end of the fiscal year.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

DAVID M. HARTT, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

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

To the Honorable Mayor and Board of Aldermen of
The Town of Mangham, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business type activities, each major fund and the aggregate remaining fund information of the Town of Mangham, Louisiana as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated March 10, 2026.

Internal Control Over Financial Reporting

In planning and performing my 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 my 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 25-1 to be a material weakness.

A *significant deficiency* is deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 25-2, 25-3, 25-5 and 25-7 to be significant deficiencies.

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 amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 25-4 and 25-6.

P.O. BOX 1332 WEST MONROE, LA 71294 – (318)512-6367 David@dmhartt.com
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND SOCIETY OF LOUISIANA CPAS

To the Honorable Mayor and Board of Aldermen of
The Town of Mangham, Louisiana
Page 2

Town of Mangham's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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. The purpose of this report is for the information of management and the Legislative Auditor and is not intended to be or should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is to be distributed by the Legislative Auditor as a public document.

David M. Hartt, CPA (APAC)

West Monroe, Louisiana
March 10, 2026

TOWN OF MANGHAM, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

Honorable Mayor and Board of Aldermen of the
Town of Mangham, Louisiana

We have audited the financial statements of the Town of Mangham, Louisiana as of and for the year ended June 30, 2025, and have issued our report thereon dated March 10, 2026. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Oury audit of the financial statements as of June 30, 2025, resulted in an unqualified opinion.

Section I- Summary of Auditor's Results

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

Internal Control
Material Weakness _X_ yes ___no
Significant Deficiencies not considered to be
Material Weaknesses _X_ yes ___no

Compliance
Compliance Material to Financial Statements _X_ yes ___no

B. Federal Awards – N/A

Material Weakness Identified ___ yes ___no
Significant Deficiencies not considered to be
Material Weaknesses ___ yes ___no

Type of Opinion on Compliance For Major Programs (No Major Programs)
Unqualified _____ Qualified _____
Disclaimer ______ Adverse ______

Are their findings required to be reported in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster)
CFDA Number(s)

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a "low-risk" auditee, as defined by the Uniform Guidance? N/A

25-1 Pattern of Financial Irregularities

Condition: During the year, the Town requested certain agreed upon procedures after a pattern of financial irregularities was identified within both the Police Department and the Town's water system as the pattern related to the following:

- Funds collected by the Police Chief Perry Fleming, police department clerk Portia Clay and former town clerk Kristi Fleming were not consistently recorded in the criminal ticketing system or the water billing system, and in some cases, were not recorded at all. These funds were then either partially or entirely missing from daily deposits.
- Within the Police Department, cash was collected for fines and daily cash reports were prepared; however, the amounts collected did not consistently match the amounts recorded in the ticketing system or the amounts deposited. The previous town clerk did have access to the criminal ticketing system, but the administration was unaware of that access.
- The ticketing computer program Quick PD and the Water Works daily reports were not run to ensure deposited amounts matched daily posted payments.
- Within the utility system, the former Town Clerk, Kristi Fleming, was found to have adjusted water bill payments rather than properly posting them as payments, in order to force batch reports to match deposit amounts.
- Deposits were not made daily, which reduced accountability and made it more difficult to reconcile payments to deposits.
- In some cases, unpaid water bills for rental properties were written off to bad debt, which allowed property owners to move new renters into properties despite prior unpaid balances (Town ordinance is for property owner to pay unpaid amounts left by tenants that moved out before renting to new tenants).

The amounts noted in the agreed upon procedures related to police tickets and fines were approximately $37,000 over a five-year period. As of the date of the audit report an additional $18,000 was discovered through internal audit. The amounts noted in the agreed upon procedures related to the water billing system were approximately $8,300 over a four-year period. As of the date of this report, no formal charges have been brought against any of these employees or former employees. The Police Chief is currently still employed but Portia Clay and Kristi Fleming are not.

The previous clerk, Kristi Fleming, had administrative access to the Criminal ticketing system without the knowledge of the previous administration. Which is in violation of the Ethics Opinion issued when she was hired. All access has been removed and is now held by the current town clerk. These irregularities along with the agreed upon procedures findings have been reported to the District Attorney's office, Richland Parish Sheriff and the Louisiana Legislative Auditor.

The Town continues to review the tickets individually assessing the issues and referring to the prosecutor and town magistrate for matters that require legal assistance to address them. The Town has issued letters of collection to property owners who have outstanding balances that were written off to bad debt instead of collected

25-1 Pattern of Financial Irregularities (continued)

Criteria: These practices reflect a breakdown of internal controls put in place to prevent these occurrences from happening, lack of segregation of duties and insufficient oversight, all of which created an environment that allowed for irregularities, whether intentional or unintentional, to occur and go undetected in a timely manner.

Effect: By not maintaining and monitoring the effectiveness of the internal controls that are in place, errors or irregularities could occur, which also did not detect the above conditions in a timely manner.

Recommendation: Review and strengthen internal controls put in place by the Town of Mangham and should be monitored as to their effectiveness for approvals and authorizations to prevent future incidents. Conduct training for employees on ethics and reporting any behavior or activities not authorized by the Town.

Management's Response: The Town now processes all payment collections and creates deposits for fines generated by the police department. To address the identified irregularities, the Town no longer accepts cash payments for any transactions. Responsibilities for receiving payments, posting transactions, and depositing funds are segregated to ensure no single individual has control over all aspects of payment processing.

All water bill write-offs now require approval by the Mayor and the Board of Aldermen. Deposits are made daily, or at a minimum on a strict scheduled basis, to ensure accurate records and reduce the risk of misappropriation. Daily reports from Quick PD and the Water Works system are generated and reviewed to verify that deposited amounts agree with posted payments.

The Town maintains detailed documentation of all transactions and reconciliations, which are reviewed to ensure accuracy and accountability. The Police Chief was provided with the opportunity to respond to inquiries and submit supporting documentation; however, the requested documentation was not provided. The Town now maintains all remaining and current documentation related to fines and tickets.

These corrective actions are intended to strengthen internal controls, reduce the risk of fraud or misappropriation, and improve the timely detection of discrepancies.

25-2 Retailer Points Redeemed for Items Not Authorized

Condition: During the year, it was discovered that the former Town Clerk, Kristi Fleming, used points earned from purchases from an office supply company the Town contracts with to purchase items for unknown use. The items cannot currently be located and they are not on the Town's property.

Criteria: Although points can be earned by purchasing office supplies from a company, those points should only be redeemed for items to be used by the Town and authorized by the Mayor and Aldermen to be redeemed.

25-2 Retailer Points Redeemed for Items Not Authorized (continued)

Effect: Since there was no monitoring of this account over the last several years, redemptions were made for items that are not on the Town's property and are at an unknown location.

Recommendation: The former Town Clerk should be contacted to find out where these redeemed items are now located.

Management's Response: Any redemption of points is reviewed, approved, and documented by the mayor.

25-3 Police Department Budget to Actual

Condition: During the year, the Police Department did not amend its budget for expenditures in excess of the 5% unfavorable allowed by Louisiana Budget Law.

Criteria: Louisiana Revised Statute R.S. 39:1302, as a practical matter, all governing authorities must amend their budgets whenever revenues and expenditures rise or fall after the budget has been adopted. Revenues not budgeted cannot be spent, and expenditures greater than available funds must be reduced to avoid creating a deficit at the end of the fiscal year.

Effect: By not amending the budget, the Police Department is in violation of Louisiana Local Government Budget Act.

Recommendation: It is recommendation that management monitor spending during the year on a monthly basis and amend its budgets as necessary.

Management's Response: A budget overage exceeding $300,000 was identified within the police department. This overage came to light after former police department employee Dakota McKinney submitted invoices for payment for items that had already been ordered and received. Mr. McKinney established credit accounts in the name of the police department and procured supplies and materials.

Additionally, a separate payroll structure was implemented by the Chief of Police, compensating officers at a rate of $40 per hour for META traffic duties, outside of the council approved hourly pay scale. In addition to his established full-time salary, Mr. McKinney received compensation at this same $40 hourly rate.

Upon discovery, the unauthorized accounts, purchases, and payroll arrangements were incorporated into the department's budget review process by the Town's CPA and formally presented to the Council. Chief Fleming and Mr. McKinney were notified that these matters fell outside the approved police department budget and had not been presented to or approved by the Council.

25-3 Police Department Budget to Actual (continued)

At that time, Mr. Mckinney informed the Mayor that he would cease, and would instruct other officers to cease, issuing citations until the $40 per hour payroll structure was approved. This matter was addressed with the Chief of Police at an open meeting.

The Chief of Police was provided multiple opportunities to participate in the budget development process, including direct communication with the Town's CPA, guidance on budget requirements from the Louisiana Legislative Auditor and invitations to attend schedule budget meetings. Despite these efforts, the Chief did not submit an amended budget and failed to attend the scheduled meetings.

25-4 Financial Statements Issued After Due Date

Condition: The audit report was submitted after the statutory due date.

Criteria: LSA-R.S.24.513 states that all engagements must be completed and transmitted to the Legislative Auditor within six months of the close of the auditee fiscal year.

Cause: The financial records were not complete to be able to finish the audit within the required time frame.

Effect: When an entity is late filing its report, the entity is placed on the LLA's noncompliance list. Being placed on the list results in an entity receiving no funds from the State until the entity is removed from the list. However, the Court requested and was subsequently granted a filing extension so as not to be put on the noncompliance list.

Recommendation: The Court should have the financial records completed in a timely manner so its audit report can be submitted to the LLA on time.

Management's Response: In October 2025, the Town's Certified Public Accountant experienced an unexpected computer system failure that temporarily limited access to essential accounting files and working papers. Although the CPA's technical support team successfully restored the affected data, the disruption resulted in delays in review and completion of the audit.

In addition to the CPA-related issues, the Town assumed responsibility for all day-to-day operations and accounting functions in February of the Police Department. This transition required a comprehensive review of historical records, including prior tickets issued, court dockets, court proceedings, payments, and collection practices. This review process is extensive and time-consuming and identified numerous issues requiring correction, documentation, and the implementation of formal policies and procedures. The Town also engaged in an Agreed-Upon Procedures (AUP) engagement as part of this review.

To prevent future delays, the CPA has implemented alternate backup systems, and the Town has hired additional staff to improve internal capacity and address timing issues within Town Hall.

25-5 Improving Segregation of Cash Duties

Condition:

At present, the Town Clerk of Mangham, Louisiana handles all aspects of the accounting system. She is responsible for, or has access to, the handling, recording and mailing of cash disbursements and receipts. Currently, she is the only person that is trained to do this job.

Criteria & Effect:

A fundamental concept in a good system of internal control is the segregation of duties.

Recommendation:

Although the size of the Town's accounting staff prohibits complete adherence to this concept, we believe the following practices could be implemented to improve existing internal control without impairing efficiency.

- Mail should be opened by an employee not responsible for accounting, such as the mayor or an alderman. Cash receipts could be recorded and the deposit prepared by this person.
- Cash receipts should be deposited intact daily. Holding receipts exposes the Town to loss.
- Bank statements, cancelled checks, etc. should be received by someone other than the employee maintaining cash records. Such items could be periodically reviewed prior to turning them over for reconciliation. Unusual items noted during the review should be investigated promptly.
- Signed checks should be also mailed without allowing them to be returned to the employee responsible for accounts payable.
- Management should review supporting documents for normal recurring disbursements (not usually reviewed) on a spot-check basis. Nonroutine testing would aid in ensuring compliance with Town policy for all disbursements.
- Credit card statements should be reviewed monthly by the mayor or an alderman.

Also, the Town should consider hiring another person to train to help the Town Clerk and assist her in her daily duties.

Management's Response: The Town no longer accepts cash payments. To strengthen internal controls and segregation of duties, the Town has hired two part-time clerks in addition to the full-time clerk, allowing responsibilities within Town Hall to be more appropriately divided.

Credit card statements and recurring disbursements are reviewed and approved monthly by the mayor and one Alderman. Bank statements are received by a part-time clerk and are opened and reviewed monthly by the mayor prior to being provided to the Town's CPA.

25-6 Mayor's Court

Condition: During the year it was noted that Mayor's Court was being held at times by the Police Chief and the police department clerk without the Mayor, Town's Magistrate or the District Attorney presiding over the proceedings. This resulted in fines being collected and tickets dismissed without going through the proper legal processes.

Criteria: Louisiana Mayor's Courts are local municipal courts where the mayor or an appointed magistrate, presides over violations of local ordinances, handling traffic tickets, code violations, and some minor civil matters. Louisiana Revised Statute R.S. 32:398.2 states that each traffic enforcement officer upon issuing a traffic citation to an alleged violator of any provision of the motor vehicle laws of this state or of any traffic ordinance of any city or town shall deposit the original citation or a copy of such traffic citation with a court having jurisdiction over the alleged offense or with the appropriate traffic violations bureau. Only the court or prosecutor can dismiss an issued ticket.

Effect: Since the proper officials did not officiate over occasional Mayor's Court, the Town is in violation of the above-mentioned state law.

Recommendation: The Town's Mayor's Court should only be presided over by the mayor or an appointed magistrate when court is in session.

Management's Response: The Town acknowledges that documentation related to fines collected in prior years is limited. Two receipt books have been located: one covering a portion of 2019 and another spanning several years with a combination of fine receipts, and other collected payments. Management recognizes this documentation gap and has taken steps to strengthen oversight and controls.

The Town operates an appointed Mayor's Court with a duly appointed magistrate and prosecutor. Court is held on a predetermined schedule, and when either the magistrate or prosecutor is unavailable, court is formally rescheduled to ensure proper legal oversight.

To address historical and ongoing concerns related to ticketing, payments, and fine collections, the Town has hired a part-time clerk with a law enforcement background. This clerk is responsible for reviewing all tickets, payments, and fines. Each ticket is reviewed individually, and when further clarification or action is required, the matter is presented to the magistrate and/or town prosecutor.

Any determination regarding dismissal, amendment, payment, or further action is made by the appointed magistrate and/or prosecutor. All actions and decisions are documented within the minutes of the Town's criminal ticketing system. Management believes these measures significantly improve accountability, documentation, and compliance going forward.

25-7 Ticket Fine Receipts Not Being Deposited

Condition: While performing the special project agreed upon procedures, it was noted that a ticket was written and the Officer notated the receipt number and amount paid at the bottom of the original ticket. A handwritten receipt was issued from a receipt book, referencing the ticket number and showing payment of cash received. The payment was not recorded in the daily cash receipts nor deposited into the Town's general operating bank account.

The ticket was entered into the Quick PD system, but after the violation was entered it was then marked "dismissed" in the convicted violation section.

Criteria: Entering the payment into Quick PD requires disbursement to various State entities as part of the system's requirement process. Because the cash payment was never deposited, posting the payment in Quick PD creates a discrepancy.

Effect: As a result, the Quick PD system reflects funds as received and disbursed. However, the Town did not actually receive or deposit those funds. This causes the financial records within Quick PD to appear overstated relative to actual deposits.

Recommendation: All funds collected by any department with the Town should be taken at Town Hall only, and not accept cash as payment.

Management Response: In response to the Agreed Upon Procedures, the town reviewed multiple reports within the criminal ticketing system. It was discovered that multiple tickets were dismissed without magistrate approval. The review of the report "Dismissed with balance" it was discovered that tickets were paid but there is no evidence it went to the bank. Tickets are reviewed by the magistrate, noted within the minutes and properly documented.

24-1 Improving Segregation of Cash Duties

Condition:

At present, the Town Clerk of Mangham, Louisiana handles all aspects of the accounting system. She is responsible for, or has access to, the handling, recording and mailing of cash disbursements.

Recommendation:

Although the size of the Company's accounting staff prohibits complete adherence to this concept, we believe the following practices could be implemented to improve existing internal control without impairing efficiency.

- Mail should be opened by an employee not responsible for accounting, such as the mayor or an alderman. Cash receipts could be recorded and the deposit prepared by this person.
- Cash receipts should be deposited intact daily. Holding receipts exposes the Town to loss.
- Bank statements, cancelled checks, etc. should be received by someone other than the employee maintaining cash records. Such items could be periodically reviewed prior to turning them over for reconciliation. Unusual items noted during the review should be investigated promptly.
- Signed checks should be also mailed without allowing them to be returned to the employee responsible for accounts payable.
- Management should review supporting documents for normal recurring disbursements (not usually reviewed) on a spot-check basis. Nonroutine testing would aid in ensuring compliance with Town policy for all disbursements.
- Credit card statements should be reviewed monthly by the mayor or an alderman.

Action Taken:

See response to current year finding 25-5.

DAVID M. HARTT, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Town of Mangham, Louisiana and the Louisiana Legislative Auditor:

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

Town of Mangham, Louisiana has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not 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 related exceptions obtained are described in the attachment to this report.

I was engaged by the Town of Mangham, Louisiana to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards.* I was 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, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the Town of Mangham, Louisiana and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my 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.

David M. Hartt, CPA (APAC)

West Monroe, Louisiana
March 10, 2026

P.O. BOX 1332 WEST MONROE, LA 71294 – (318)512-6367 David@dmhartt.com
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND SOCIETY OF LOUISIANA CPAS

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

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

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

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

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

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

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

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

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

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

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

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

The Town does not have written policies or procedures regarding Disaster Recovery/Business Continuity.

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

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

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

ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

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

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

No exceptions were noted in the above procedures.

3) ***Bank Reconciliations***

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

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

ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

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

No exceptions were noted in the above procedures.

4) Collections (excluding electronic funds transfers)

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

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

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

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

iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

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

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

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and

i. Observe that receipts are sequentially pre-numbered.

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

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

No exceptions noted in the above procedures.

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

A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

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

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.

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

C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

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

ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

No exceptions noted in the above procedures.

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

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

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

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

ii. Observe that finance charges and late fees were not assessed on the selected statements.

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

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

There is no evidence that the monthly statement was reviewed and approved in writing by someone other than the card holder.

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

A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

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

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

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

There were no expenses for travel reimbursement for the year.

8) ***Contracts***

A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

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

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

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

   iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No contracts are maintained by the District other than copy machine and maintenance contracts.

9) ***Payroll and Personnel***

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

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

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

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

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

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

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

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

No exceptions noted in the above procedures.

10) ***Ethics***

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

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

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

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

One of the selected employees/officials did not receive the required ethics training during the year.

11) ***Debt Service***

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

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).

Procedures related to debt service are not required since the District has no debt.

12) ***Fraud Notice***

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

B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions noted in the above procedures.

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

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

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

B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

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.

We performed the procedures and discussed the results with management.

14) Prevention of Sexual Harassment

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

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

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

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

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

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

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

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

Of the five employees/officials tested, only four received the required sexual harassment training.