CITY OF GRAMBLING, LOUISIANA

Annual Financial Statements

December 31, 2025

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MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report

To the Honorable Alvin R. Bradley, Sr., Mayor
and Members of the City Council
City of Grambling, Louisiana

Report on the Audit of the Financial Statements

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

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

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

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

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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 City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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 City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 - 12 and the budgetary comparison information presented as Schedules I and II be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in the appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining statements of non-major governmental funds, the schedule of insurance coverage, the utility rate schedules, the schedule of compensation paid to Council Members, the schedule of compensation, benefits, and other payments to the Mayor, the justice system funding schedule - collecting/disbursing entity, and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards,* are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

This supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining statements of non-major governmental funds, the schedule of insurance coverage, the utility rate schedules, the schedule of compensation paid to Council Members, the schedule of compensation, benefits, and other payments to the Mayor, the justice system funding schedule - collecting/disbursing entity, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2026 on our consideration of the City'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 City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Baton Rouge, LA
June 21, 2026

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

As management of the City of Grambling, Louisiana (the City), we offer readers this narrative overview and financial analysis of the financial activities of the City as of December 31, 2025, and for the year then ended.

Financial Highlights

- The City's total assets exceeded its total liabilities and deferred inflows, combined, at December 31, 2025 and 2024 by $10,280,609 and $7,375,036 (*net position*), respectively.

- Total net position of the City is comprised of the following:

  1) Net investment in capital assets includes all capital assets, net of accumulated depreciation and reduced for outstanding debt related to the purchase or construction of capital assets. Net investment in capital assets was $8,968,821 and $6,580,724 at December 31, 2025 and 2024, respectively.
  2) Restricted net position represents the portion restricted by dedicated millages and bond covenants which totaled $920,629 at December 31, 2025 and $635,732 at December 31, 2024.
  3) Unrestricted net position represents the remaining resources that may be used to meet the City's ongoing obligations to its citizens and creditors. Unrestricted net position was $391,159 and $158,580 at December 31, 2025 and 2024, respectively.

- For the year ended December 31, 2025, the City reported a $2,905,573 increase in net position, compared to a $2,331,912 increase for the year ended December 31, 2024. Details of contributing factors to the change are included later within this analysis.
- The City's governmental funds reported combined ending fund balances of $416,737 at December 31, 2025, an increase from prior year's combined ending fund balances of $311,619. These fund balances were comprised of restricted and unassigned fund balances.
- At December 31, 2025, unassigned fund balance for the General Fund was $(503,892). The deficit unassigned fund balance results from payables to other funds at year-end due to collections running through the General Fund.
- The City's total long-term liabilities at December 31, 2025 were $1,953,006, which decreased from $2,339,981 in 2024. Long-term liabilities consist of bonds and notes payable and compensated absences. See Note 10 in the notes to the financial statements for more detailed information about long-term liabilities.

Overview of Financial Statements

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

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

This report also contains other required supplementary information.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide an overview of the City's finances in a manner similar to private-sector business. The statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues ("governmental activities") from functions that are intended to recover all or a significant portion of their costs through user fees and charges ("business-type activities"). Governmental activities include services provided to the public, such as law enforcement and public safety, health and sanitation, road construction and maintenance, community planning and development, parks and recreation, and economic development. Other general government services provided include tax collection and the issuance of permits and licenses. Business-type activities provided to the City include water and sewer utility services.

The government-wide statements reflect all of the City's assets (including capital assets) and all of the City's liabilities. The two government-wide financial statements are as follows:

- *Statement of Net Position:* This statement presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

- *Statement of Activities:* This statement presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future periods, such as revenues pertaining to uncollected taxes, unpaid vendor invoices, and employee earned but not used vacation time. This statement separates program revenue (revenue generated by specific programs through charges for services, grants, and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program).

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

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

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

Required Supplementary Information (RSI)
This section contains budgetary comparison schedules for the major general and special revenue funds, presented in annual format.

Other Supplementary Information
These schedules are presented for additional analysis and not a required component of the basic financial statements. Other supplementary information schedules include:

- Combining Balance Sheet - Non-Major Governmental Funds
- Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Non-Major Governmental Funds
- Schedule of Insurance Coverage
- Utility Rate Schedules
- Schedule of Compensation Paid to Council Members
- Schedule of Compensation, Benefits, and Other Payments to the Mayor
- Schedule of Justice System Funding - Collecting/Disbursing
- Schedule of Expenditures of Federal Awards

Government-Wide Financial Analysis

Net Position Analysis

Net position may serve over time as a useful indicator of a government's financial position. The bulk of the City's net position is comprised of net investment in capital assets, representing 80% of total net position. Net investment in capital assets consists of land, infrastructure, buildings, and equipment, less accumulated depreciation and any outstanding debt used to acquire those assets. The City has elected not to retroactively record, as capital assets, its infrastructure that existed prior to adopting Governmental Accounting Standards Board (GASB) Statement No. 34. *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

Restricted net assets represents resources that are subject to external restrictions on how they may be used, such as user deposits.

The following is a condensed version of the City's government-wide statement of net position.

	Governmental Activities	Business-Type Activities	2025	2024
Assets				
Current and Other Assets	$ 1,480,490	$ 2,211,579	$ 3,692,069	$ 4,221,160
Nondepreciable Capital Assets	284,402	1,057,471	1,341,873	3,613,107
Depreciable Capital Assets, Net	1,947,548	7,463,773	9,411,321	5,099,978
Total Assets	3,712,440	10,732,823	14,445,263	12,934,245
Liabilities				
Current and Other Liabilities	1,076,549	961,934	2,038,483	2,580,518
Long-Term Liabilities	259,081	1,693,925	1,953,006	2,339,981
Total Liabilities	1,335,630	2,655,859	3,991,489	4,920,499
Deferred Inflows of Resources	-	173,165	173,165	638,710
Net Position				
Net Investment in Capital Assets	2,141,502	6,827,319	8,968,821	6,580,724
Restricted	920,629	-	920,629	635,732
Unrestricted	(685,321)	1,076,480	391,159	158,580
Total Net Position	$ 2,376,810	$ 7,903,799	$ 10,280,609	$ 7,375,036

Changes in Net Position Analysis

The City's total change in net position during the year ended December 31, 2025 was an increase of $2,331,912, compared to an increase of $1,724,856 in 2024. Total revenues increased by $215,948 in 2025 from 2024, mostly due to an increase in sales taxes.

Total expenses decreased by $357,713 in 2025 from 2024. The City's expenses cover a range of services, the largest three of which were for general government, public safety, and maintenance enterprise (23%, 31%, and 31% of total expenses, respectively).

The following is a condensed version of the City's government-wide statement of activities.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues						
Charges for Services	$ 166,072	$ 143,226	$ 1,362,575	$ 1,420,894	$ 1,528,647	$ 1,564,120
Operating Grants	53,320	123,572	-	-	53,320	123,572
Capital Grants and Contributions	435,445	-	2,234,735	2,785,434	2,670,180	2,785,434
General Revenues						
Property Taxes	721,641	696,755	88,664	73,046	810,305	769,801
Sales Taxes	1,539,811	1,288,880	-	-	1,539,811	1,288,880
Licenses and Permits	102,101	128,918	-	-	102,101	128,918
Franchise Fees and Taxes	109,650	83,997	-	-	109,650	83,997
Fines and Forfeitures	317,565	208,772	-	-	317,565	208,772
Interest Income	578	31,477	21,053	51,916	21,631	83,393
Intergovernmental Revenue	86,040	128,688	-	-	86,040	128,688
Miscellaneous	41,932	51,806	169,179	17,032	211,111	68,838
Total Revenues	3,574,155	2,886,091	3,876,206	4,348,322	7,450,361	7,234,413
Expenses						
General Government	1,028,662	1,482,385	-	-	1,028,662	1,482,385
Public Safety	1,421,001	1,341,409	-	-	1,421,001	1,341,409
Health and Sanitation	366,675	224,685	-	-	366,675	224,685
Parks and Recreation	22,538	17,838	-	-	22,538	17,838
Public Works	97,543	46,068	-	-	97,543	46,068
Economic Development	201,242	171,908	-	-	201,242	171,908
Interest on Long-Term Debt	2,762	3,029	-	-	2,762	3,029
Utility Enterprise	-	-	1,404,365	1,615,179	1,404,365	1,615,179
Total Expenses	3,140,423	3,287,322	1,404,365	1,615,179	4,544,788	4,902,501
Change in Net Position Before Transfers	433,732	(401,231)	2,471,841	2,733,143	2,905,573	2,331,912
Transfers In (Out)	-	30,965	-	(30,965)	-	-
Change in Net Position	433,732	(370,266)	2,471,841	2,702,178	2,905,573	2,331,912
Net Position, Beginning of Year	1,943,078	2,313,344	5,431,958	2,729,780	7,375,036	5,043,124
Net Position, End of Year	$ 2,376,810	$ 1,943,078	$ 7,903,799	$ 5,431,958	$ 10,280,609	$ 7,375,036

Financial Analysis of the City's Funds

The City's General Fund had a decrease in fund balance of $179,779 for the year ended December 31, 2025. The City's Health and Sanitation Special Revenue Fund had an increase in fund balance of $166,002 for the year ended December 31, 2025. Total governmental fund amounts are different from governmental activities due to capital assets, depreciation of capital assets, and deferred inflows and outflows of resources.

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

Budget Highlights

As required by law, the City adopts a budget annually for its General Fund and major Special Revenue Fund. The City amended its General and major Special Revenue Fund Budgets for the year ended December 31, 2025 to reflect changes in expected revenues and expenditures which were not anticipated prior to the beginning of the year.

Capital Asset Administration

A summary of the City's net investment in capital assets at December 31, 2025 and 2024 follows.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	**2025**	2024	**2025**	2024
Land	**$ 244,402**	$ 244,402	**$ 49,182**	$ 49,182	**$ 293,584**	$ 293,584
Construction in Progress	**40,000**	40,000	**1,008,289**	3,279,523	**1,048,289**	3,319,523
Buildings	**2,161,066**	2,161,066	**242,106**	242,106	**2,403,172**	2,403,172
Infrastructure	**1,272,185**	849,730	**-**	-	**1,272,185**	849,730
Vehicles	**-**	-	**-**	-	**-**	-
Furniture and Equipment	**1,195,393**	1,191,032	**-**	-	**1,195,393**	1,191,032
Sewage Plant	**-**	-	**11,782,211**	7,451,776	**11,782,211**	7,451,776
Water System	**-**	-	**2,047,527**	2,047,527	**2,047,527**	2,047,527
Water/Sewer Equipment	**-**	-	**1,132,575**	1,132,575	**1,132,575**	1,132,575
Total Capital Assets	**4,913,046**	4,486,230	**16,261,890**	14,202,689	**21,174,936**	18,688,919
Less: Accumulated Depreciation	**2,681,096**	2,557,419	**7,740,646**	7,418,415	**10,421,742**	9,975,834
Net Capital Assets	**$ 2,231,950**	$ 1,928,811	**$ 8,521,244**	$ 6,784,274	**$ 10,753,194**	$ 8,713,085

Total capital assets, net of accumulated depreciation, increased by $2,040,109 in 2025 from 2024, primarily due to construction projects in the Maintenance Enterprise fund which exceeded depreciation. Capital assets of the City include land, buildings, infrastructure, vehicles, furniture and equipment, and infrastructure and equipment for the water and sewer systems. Net capital assets also includes construction in progress of $1,048,289 at December 31, 2025, compared to $3,319,523 at December 31, 2024.

Debt Administration

At December 31, 2025, the City had total bonded debt outstanding of $1,940,373. 95% of this was attributable to business-type activity bonds outstanding and 5% to governmental fund bonds outstanding. The City's total bonded debt outstanding decreased by $342,988 due to principal payments made being less than debt issuance.

Economic Factors and Next Year's Budget

Our elected and appointed officials consider many factors when setting the City's budget and tax rates. One of the most important factors affecting the City's budget are property and sales tax collections. Property and sales tax collections made up more than 75% of general revenues in 2025. Major plans for 2026 include continued improvements to infrastructure with the assistance of state and federal grant funding. Management of the City strives to continuously improve the City's financial condition through restriction of expenditures and increasing revenues through economic development initiatives.

Requests for Information

This financial report is designed to provide a general overview of the City's finances. Questions concerning this report or the need for additional information should be directed to Alvin R. Bradley, Mayor, at the City of Grambling, P.O. Box 108, Grambling, Louisiana 71245, telephone number (318) 247-6120.

BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF GRAMBLING, LOUISIANA **Statement A**
Statement of Net Position
December 31, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	$ 1,178,244	$ 605,329	$ 1,783,573
Accounts Receivables, Net	301,543	332,670	634,213
Prepaid Expenses	-	1,484	1,484
Due from Other Funds	-	949,217	949,217
Inventory	703	-	703
Restricted Cash and Cash Equivalents	-	322,879	322,879
Capital Assets Not Being Depreciated			
Land	244,402	49,182	293,584
Construction in Progress	40,000	1,008,289	1,048,289
Depreciable Capital Assets, Net	1,947,548	7,463,773	9,411,321
Total Assets	3,712,440	10,732,823	14,445,263
Liabilities			
Accounts Payable	16,660	543,214	559,874
Accrued and Other Liabilities	97,876	14,510	112,386
Accrued Interest Payable	2,532	9,845	12,377
Customer Deposits	-	222,699	222,699
Due to Other Funds	949,217	-	949,217
Long-Term Liabilities			
Due in One Year			
Compensated Absences	-	15,666	15,666
Bonds and Notes Payable	10,264	156,000	166,264
Due in More than One Year			
Compensated Absences	178,897	-	178,897
Bonds and Notes Payable	80,184	1,693,925	1,774,109
Total Liabilities	1,335,630	2,655,859	3,991,489
Deferred Inflows of Resources			
Unused Grant Revenues	-	173,165	173,165
Total Deferred Inflows of Resources	-	173,165	173,165
Net Position			
Net Investment in Capital Assets	2,141,502	6,827,319	8,968,821
Restricted	920,629	-	920,629
Unrestricted Net Position	(685,321)	1,076,480	391,159
Total Net Position	$ 2,376,810	$ 7,903,799	$ 10,280,609

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

CITY OF GRAMBLING, LOUISIANA **Statement B**
Statement of Activities
For the Year Ended December 31, 2025

		Program Revenues			Net Revenue (Expense) and Changes in Net Position		
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	$ 1,028,662	$ -	$ -	$ -	$ (1,028,662)	$ -	$ (1,028,662)
Public Safety	1,421,001	-	53,320	-	(1,367,681)	-	(1,367,681)
Health and Sanitation	366,675	166,072	-	-	(200,603)	-	(200,603)
Parks and Recreation	22,538	-	-	-	(22,538)	-	(22,538)
Public Works	97,543	-	-	435,445	337,902	-	337,902
Economic Development	201,242	-	-	-	(201,242)	-	(201,242)
Interest on Long-Term Debt	2,762	-	-	-	(2,762)	-	(2,762)
Total Governmental Activities	3,140,423	166,072	53,320	435,445	(2,485,586)	-	(2,485,586)
Business-Type Activities							
Utility Enterprise	1,404,365	1,362,575	-	2,234,735	-	2,192,945	2,192,945
Total Business-Type Activities	1,404,365	1,362,575	-	2,234,735	-	2,192,945	2,192,945
Total	$ 4,544,788	$ 1,528,647	$ 53,320	$ 2,670,180	(2,485,586)	2,192,945	(292,641)
General Revenues							
Taxes							
Property Taxes					721,641	88,664	810,305
Sales Taxes					1,539,811	-	1,539,811
Licenses and Permits					102,101	-	102,101
Franchise Fees and Taxes					109,650	-	109,650
Fines and Forfeitures					317,565	-	317,565
Interest Income					578	21,053	21,631
Intergovernmental Revenues					86,040	-	86,040
Miscellaneous					41,932	169,179	211,111
Total General Revenues and Transfers					2,919,318	278,896	3,198,214
Change in Net Position					433,732	2,471,841	2,905,573
Net Position, Beginning of Year					1,943,078	5,431,958	7,375,036
Net Position, End of Year					$ 2,376,810	$ 7,903,799	$ 10,280,609

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

BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUNDS

CITY OF GRAMBLING, LOUISIANA **Statement C**
Balance Sheet
Governmental Funds
December 31, 2025

	General Fund	Special Revenue Funds: Health and Sanitation	Special Revenue Funds: Non-Major Special Revenue Funds	Total Governmental Funds
Assets				
Cash and Cash Equivalents	$ 464,294	$ 216,321	$ 497,629	$ 1,178,244
Property Taxes Receivable, Net	134,216	-	-	134,216
Sales Taxes Receivable, Net	73,113	25,496	26,902	125,511
Other Receivables, Net	22,891	18,925	-	41,816
Interfund Receivables	-	269,727	24,904	294,631
Inventory	703	-	-	703
Total Assets	$ 695,217	$ 530,469	$ 549,435	$ 1,775,121
Liabilities and Fund Balances				
Liabilities				
Accounts Payable, General	$ 7,678	$ 8,982	$ -	$ 16,660
Accrued and Other Liabilities	93,953	3,923	-	97,876
Interfund Payables	1,097,478	121,466	24,904	1,243,848
Total Liabilities	1,199,109	134,371	24,904	1,358,384
Fund Balances				
Restricted	-	396,098	524,531	920,629
Unassigned	(503,892)	-	-	(503,892)
Total Fund Balances	(503,892)	396,098	524,531	416,737
Total Liabilities and Fund Balances	$ 695,217	$ 530,469	$ 549,435	$ 1,775,121

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

CITY OF GRAMBLING, LOUISIANA **Statement D**
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
December 31, 2025

Fund Balances - Total Governmental Funds	$ 416,737
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:	
Governmental Capital Assets	4,913,046
Less: Accumulated Depreciation	(2,681,096)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Compensated Absences	(178,897)
Bonds Payable	(90,448)
Interest Payable	(2,532)
Net Position of Governmental Activities	$ 2,376,810

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

CITY OF GRAMBLING, LOUISIANA **Statement E**

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2025

		Special Revenue Funds		
	General Fund	Health and Sanitation	Non-Major Special Revenue Funds	Total Governmental Funds
Revenues				
Property Taxes	$ 721,641	$ -	$ -	$ 721,641
Sales Taxes	847,147	374,238	318,426	1,539,811
Franchise Fees and Taxes	109,650	-	-	109,650
Charges for Services	-	166,072	-	166,072
Licenses and Permits	102,101	-	-	102,101
Intergovernmental Revenues	574,805	-	-	574,805
Fines and Forfeitures	317,565	-	-	317,565
Interest Income	2	365	211	578
Miscellaneous	41,863	69	-	41,932
Total Revenues	2,714,774	540,744	318,637	3,574,155
Expenditures				
General Government	977,994	-	-	977,994
Public Safety	1,380,883	-	-	1,380,883
Health and Sanitation	-	361,991	-	361,991
Parks and Recreations	6,992	-	-	6,992
Public Works	79,907	-	-	79,907
Economic Development	1,500	-	199,742	201,242
Debt Service				
Principal	-	9,989	-	9,989
Interest and Service Charges	-	2,762	-	2,762
Capital Outlay	447,277	-	-	447,277
Total Expenditures	2,894,553	374,742	199,742	3,469,037
Net Change in Fund Balances	(179,779)	166,002	118,895	105,118
Fund Balances, Beginning of Year	(324,113)	230,096	405,636	311,619
Fund Balances, End of Year	$ (503,892)	$ 396,098	$ 524,531	$ 416,737

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

CITY OF GRAMBLING, LOUISIANA **Statement F**

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

For the Year Ended December 31, 2025

Net Change in Fund Balances - Total Governmental Funds	$	105,118
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives through depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		303,139
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		9,989
The following expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Compensated Absences		15,486
Change in Net Position of Governmental Activities	$	433,732

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

BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS
PROPRIETARY FUNDS

CITY OF GRAMBLING, LOUISIANA **Statement G**
Statement of Net Position
Proprietary Funds
December 31, 2025

Assets	
Current Assets	
Cash and Cash Equivalents	$ 605,329
Accounts Receivable, Net	165,623
Grants Receivable	128,512
Property Taxes Receivable	38,535
Prepaid Expenses	1,484
Interfund Receivable	949,217
Total Current Assets	1,888,700
Restricted Assets	
Restricted Cash and Cash Equivalents	
Customer Deposits	134,502
Bond Sinking Fund	105,474
Revenue Bonds	82,802
Construction	101
Total Restricted Assets	322,879
Long-Term Assets	
Capital Assets at Cost	
Land	49,182
Buildings and Improvements	242,106
Water/Sewer System	13,829,738
Automotive and Equipment	1,132,575
Less: Accumulated Depreciation	(7,740,646)
Total Capital Assets, Net	7,512,955
Construction in Progress	1,008,289
Total Long-Term Assets	8,521,244
Total Assets	10,732,823

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

CITY OF GRAMBLING, LOUISIANA **Statement G**
Statement of Net Position (Continued)
Proprietary Funds
December 31, 2025

Liabilities	
Current Liabilities	
Accounts Payable	543,214
Accrued and Other Liabilities	14,510
Compensated Absences, Current Portion	15,666
Total Current Liabilities	573,390
Current Liabilities (Payable from Restricted Assets)	
Accrued Interest Payable	9,845
Revenue Bonds Payable, Current Portion	156,000
Customer Deposits	222,699
Total Current Liabilities (Payable from Restricted Assets)	388,544
Non-Current Liabilities	
Revenue Bonds, Net of Current Portion	912,925
State Revolving Loans, Net of Current Portion	781,000
Total Non-Current Liabilities	1,693,925
Total Liabilities	2,655,859
Deferred Inflows of Resources	
Deferred Grant Revenue	173,165
Total Deferred Inflows of Resources	173,165
Net Position	
Net Investment in Capital Assets	6,827,319
Unrestricted Net Position	1,076,480
Total Net Position	$ 7,903,799

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

CITY OF GRAMBLING, LOUISIANA **Statement H**
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2025

Operating Revenues	
Charges for Services	
Water Sales	$ 508,422
Water Connection Charges	12,304
Sewer Fees	841,849
Total Operating Revenues	1,362,575
Operating Expenses	
Salaries and Benefits	216,017
Materials and Supplies	51,027
Operating Costs	658,868
Professional Services	63,612
Other Services and Charges	86,937
Depreciation	322,231
Total Operating Expenses	1,398,692
Operating Loss	(36,117)
Non-Operating Revenues (Expenses)	
Miscellaneous	169,179
Interest Income	21,053
Ad Valorem Tax Revenues	88,664
Interest Expense	(5,673)
Total Non-Operating Revenues (Expenses), Net	273,223
Net Income Before Transfers and Capital Grants	237,106
Capital Grants	2,234,735
Change in Net Position	2,471,841
Net Position, Beginning of Year	5,431,958
Net Position, End of Year	$ 7,903,799

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

CITY OF GRAMBLING, LOUISIANA **Statement I**
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2025

Cash Flows from Operating Activities	
Receipts from Customers and Users	$ 1,375,777
Payments to Suppliers	(1,020,751)
Payments to Employees	(236,326)
Net Cash Provided by Operating Activities	118,700
Cash Flows from Non-Capital Financing Activities	
Property Tax Receipts	85,933
Other Cash Receipts	169,179
Interfund Borrowings	(269,631)
Transfers to Other Funds	-
Net Cash Used in Non-Capital Financing Activities	(14,519)
Cash Flows from Capital and Related Financing Activities	
Acquisition and Construction of Capital Assets	(2,622,386)
Capital Grants Received	2,137,929
Principal Paid on Debt	(151,000)
Interest Paid on Capital Debt	(5,673)
Net Cash Used in Capital and Related Financing Activities	(641,130)
Cash Flows from Investing Activities	
Interest Earned	21,053
Net Cash Provided by Investing Activities	21,053
Net Decrease in Cash and Cash Equivalents	(515,896)
Cash and Cash Equivalents, Beginning of Year	1,444,104
Cash and Cash Equivalents, End of Year	$ 928,208

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

Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2025

Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Loss	$	(36,117)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities		
Depreciation		322,231
Changes in Assets and Liabilities		
Increase in Accounts Receivable, Net		(4,824)
Decrease in Accounts Payable		(160,307)
Decrease in Accrued and Other Liabilities		1,197
Increase in Customer Deposits		18,026
Decrease in Compensated Absences		(21,506)
Net Cash Provided by Operating Activities	$	118,700
Recap of Cash and Cash Equivalents		
Cash and Cash Equivalents	$	605,329
Restricted Cash and Cash Equivalents		322,879
Total Cash and Cash Equivalents	$	928,208
Supplemental Disclosure - Non-Cash Transactions		
Forgiveness of Debt	$	181,999

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

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The City of Grambling, Louisiana (the City) was incorporated in 1959 under the provisions of the Lawrason Act of the constitution of the State of Louisiana. The City is located in Lincoln Parish and has a population of approximately 5,314. The City is governed by the Mayor and a five-member City Council. The Mayor and Council Members serve four-year terms.

The City's basic financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The City's basic financial statements also conform to the requirements of Louisiana Revised Statute (R.S.) 21:513 and to the guidelines set forth in the *Louisiana Government Audit Guide*, as well as to the industry and audit guide, *Audits of State and Local Governmental Units*. The more significant accounting policies established by GAAP and used by the City are discussed below.

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

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

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

Government-Wide Financial Statements
The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. 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.

Note 1. Summary of Significant Accounting Policies (Continued)

Government-Wide Financial Statements (Continued)

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

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

Fund Financial Statements

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

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

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

Health and Sanitation Fund - The Health and Sanitation Fund is used to account for the operations of the City's garbage collection services.

The focus of proprietary funds' measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The City reports the following major proprietary fund:

Maintenance Enterprise Fund - The Maintenance Enterprise Fund accounts for the operations of the City's sewer and water systems.

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes, fines and forfeitures, licenses and permits, and other general revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues for the City's proprietary funds consist of charges to customers and users of its water and sewer services. Operating expenses for the City's proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Note 1. Summary of Significant Accounting Policies (Continued)

Budgets and Budgetary Accounting

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

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

a) The Mayor, City Council, and other advisory personnel assemble the necessary financial information.

b) The proposed budget is made available for public inspection.

c) A public hearing is held for any recommendations or changes to the budget. The budget is legally adopted through passage of an ordinance by the City Council.

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

Cash, Cash Equivalents, and Investments

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

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

Cash and cash equivalents consist of cash, as defined above, including restricted cash. Investments are limited by R.S. 33:2955 and the City's investment policy. The City's investment policy does not address interest rate risk or credit risk. Short-term investments are stated at amortized cost, which approximates market. Certain investments, as required by GASB Statement No. 31, as amended by GASB Statement No. 72, are reported at fair value, which is determined using published market prices.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The City maintains a threshold level of $1,000 or more for capitalizing assets.

Note 1. Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

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

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

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

Description	Estimated Lives
Buildings	40 Years
Concrete Block Buildings	20 Years
Equipment	8 Years
Vehicles	5 Years
Sewer System and Lines	20 Years
Water System and Lines	20 Years

Long-Term Debt

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are 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. Issuance costs are expensed as incurred.

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 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 expenditures.

Note 1. Summary of Significant Accounting Policies (Continued)

Compensated Absences

The City measures and recognizes compensated absence liability in accordance with GASB Statement No. 101. Compensated absences hours that accumulate and that are considered to be more likely than not to be used or paid are accrued. In addition salary related costs including social security and Medicare tax is accrued as a portion of the liability. Full-time employees are allotted 40 hours of annual leave after one year of employment, 80 hours of annual leave after two years of employment, 120 hours of annual leave after five years of employment, and 160 hours of annual leave after 10 years of employment. Annual leave can be accumulated up to 240 hours, the maximum amount which the City shall pay out upon resignation, retirement, or termination, computed at the employee's rate of pay upon time of separation. All full-time employees are allotted 80 hours of sick time annually after three months of employment, which may be accumulated up to 480 hours. Unused sick time is not paid out upon resignation, retirement, or termination.

Restricted Assets

Certain grants received by the City contain restrictions on spending. In the Maintenance Enterprise Fund, cash and investments are restricted for debt service payments, maintenance on the sewer system, and customer deposits payable.

Property Taxes

The City levies property taxes on real and business property located within the City's boundaries. Property taxes are levied by the City on property values assessed by the Lincoln Parish Tax Assessor and approved by the State of Louisiana Tax Commission. The Lincoln Parish Tax Assessor prepares tax statements for the City.

Property taxes attach as an enforceable lien on property as of December 31st. Taxes are levied and billed in October of each year and are due and payable on or before December 31st. The City recognizes property tax revenues when levied, to the extent that they are determined to be collectible.

The following is a summary of authorized and levied property taxes as December 31, 2025:

Category	Authorized Millage	Levied Millage	Expiration Date
Capital Outlay/General Alimony	5.40	5.40	Statutory
Fire Protection	14.97	14.97	2029
Police Department	3.82	3.82	2029
Public Improvement	7.31	7.31	2029
Public Streets	4.52	4.52	2029
Water System	4.27	4.27	2026
Total Levy	40.29	40.29	

Note 1. Summary of Significant Accounting Policies (Continued)

Sales Taxes

Sales taxes are collected by the Lincoln Parish Sales and Use Tax Commission and by the Lincoln Parish Police Jury. The City's sales tax is 2.25%. The revenues collected by the Lincoln Parish Sales and Use Tax Commission is for general operating expenses of the City. The revenues collected by the Lincoln Parish Police Jury is dedicated to Health and Sanitation. There is an additional 0.75% sales tax in the Legend's Square Taxing District, which is retail development in the City of Grambling. These funds are placed in a bank account at the Bank of Ruston to be disbursed to the Developer of the Project as debt service for the cost of the project, minus a 10% administrative fee that is deposited in the City's General Fund account.

Accounts Receivable

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

Uncollectible amounts due for customers' utility receivables and ad valorem taxes are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The combined allowance was $129,587 at December 31, 2025.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

The governmental funds of the City report unavailable revenues from property taxes and grants. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Equity

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

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

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

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

A deficit unassigned fund balance of $503,892 exists in the General Fund at December 31, 2025. The deficit results from balances payable to other funds due to collections for such funds running through the General Fund.

Interfund Transactions

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

Use of Estimates

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

Note 2. Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and the Health and Sanitation Special Revenue Fund. All annual appropriations lapse at fiscal year-end. For the year ended December 31, 2025, actual expenditures of the General Fund of $2,894,553 exceeded budgeted amounts of $2,269,731 resulting in an unfavorable variance of $624,822 or 21.59% and actual expenditures of the Health and Sanitation fund of $374,742 exceeded budgeted amounts of $327,443 resulting in an unfavorable variance of $47,299 or 14.44%.

Deposit and Investment Laws and Regulations

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par.

Note 3. Cash and Cash Equivalents

Custodial Credit Risk

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

As of December 31, 2025, $964,508 of the City's deposit balance of $2,181,163 was exposed to custodial credit risk. Of this amount, $940,433 was secured from risk by the pledge of securities owned by the fiscal agent bank and $24,165 was unsecured.

Note 4. Receivables

Net receivables at December 31, 2025 were as follows:

	General Fund	Health and Sanitation Fund	Non-Major Governmental Funds	Proprietary Fund	Total
Taxes					
Property, Net	$ 134,216	$ -	$ -	$ 38,535	$ 172,751
Sales and Use	73,113	25,496	26,902	-	125,511
Intergovernmental Revenue	-	-	-	128,512	128,512
Charges for Services	-	19,539	-	170,994	190,533
Other	22,891	-	-	-	22,891
Gross Receivables	230,220	45,035	26,902	338,041	640,198
Less: Allowance for Doubtful Accounts	-	(614)	-	(5,371)	(5,985)
Total	$ 230,220	$ 44,421	$ 26,902	$ 332,670	$ 634,213

Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Note 5. Interfund Assets and Liabilities

Individual balances within the fund financial statements due from or to other major funds at December 31, 2025 are as follows:

	Due From	Due To
General Fund		
Maintenance Enterprise Fund	$ -	$ 873,843
Health and Sanitation Fund	-	223,635
Maintenane Enterprise Fund		
General Fund	890,773	-
Health and Sanitation Fund	58,444	-
Health and Sanitation Fund		
General Fund	269,727	63,022
Maintenance Enterprise Fund	-	58,444
Nonmajor Funds		
.25% Economic Development Sales Tax Fund	24,904	
Economic Development District No. 1 Fund		24,904
Total All Funds	$ 1,243,848	$ 1,243,848

The interfund receivables are the result of bills being paid by one fund for another and are expected to be repaid within the next 12 months.

Note 6. Accrued and Other Liabilities

Accrued and other liabilities consisted of the following at December 31, 2025:

	General Fund	Health and Sanitation Fund	Utilities Maintenance Fund	Total
Wages Payable	$ 48,357	$ 3,342	$ 6,950	$ 58,649
Sales Tax Payable	-	-	7,560	7,560
Payroll Deductions Payable	43,266	-	-	43,266
Deposits	2,330	581	222,699	225,610
Total	$ 93,953	$ 3,923	$ 237,209	$ 335,085

Note 7. Capital Assets

The following is a summary of the changes in capital assets for the year ended December 31, 2025:

	Balance January 1, 2025	Increases	Decreases	Balance December 31, 2025
Governmental Activities				
Capital Assets Not Depreciated				
Construction in Progress	$ 40,000	$ -	$ -	$ 40,000
Land	244,402	-	-	244,402
Total Capital Assets Not Depreciated	284,402	-	-	284,402
Capital Assets Being Depreciated				
Building and Improvements	2,161,066	-	-	2,161,066
Furniture and Equipment	1,191,032	24,822	(20,461)	1,195,393
Infrastructure	849,730	422,455	-	1,272,185
Total Capital Assets Being Depreciated	4,201,828	447,277	(20,461)	4,628,644
Accumulated Depreciation for:				
Building and Improvements	966,283	61,849	-	1,028,132
Furniture and Equipment	1,089,845	43,843	(20,461)	1,113,227
Infrastructure	501,291	38,446	-	539,737
Total Accumulated Depreciation	2,557,419	144,138	(20,461)	2,681,096
Total Capital Assets Being Depreciated, Net	1,644,409	303,139	-	1,947,548
Total Capital Assets, Net	$ 1,928,811	$ 303,139	$ -	$ 2,231,950

Note 7. Capital Assets (Continued)

	Balance January 1, 2025	Increases	Decreases	Balance December 31, 2025
Business-Type Activities				
Capital Assets Not Depreciated				
Construction in Progress	$ 3,279,523	$ -	$ (2,271,234)	$ 1,008,289
Land	49,182	-	-	49,182
Total Capital Assets Not Depreciated	3,328,705	-	(2,271,234)	1,057,471
Capital Assets Being Depreciated				
Buildings and Improvements	242,106	-	-	242,106
Sewage Plant	7,451,776	4,330,435	-	11,782,211
Water System	2,047,527	-	-	2,047,527
Water/Sewer Equipment	1,132,575	-	-	1,132,575
Vehicles	-	-	-	-
Total Capital Assets Being Depreciated	10,873,984	4,330,435	-	15,204,419
Accumulated Depreciation for:				
Buildings and Improvements	241,564	542	-	242,106
Sewage Plant	4,165,984	296,305	-	4,462,289
Water System	1,878,292	25,384	-	1,903,676
Water/Sewer Equipment	1,132,575	-	-	1,132,575
Vehicles	-	-	-	-
Total Accumulated Depreciation	7,418,415	322,231	-	7,740,646
Total Capital Assets Being Depreciated, Net	3,455,569	4,008,204	-	7,463,773
Total Capital Assets, Net	$ 6,784,274	$ 4,008,204	$ (2,271,234)	$ 8,521,244

Depreciation charged to governmental and business-type functions was as follows for the year ended December 31, 2025:

	Governmental Activities
General	$ 66,154
Public Safety	40,118
Health and Sanitation	4,684
Public Works	17,636
Culture and Recreation	15,546
Total	$ 144,138

Note 8. Pension and Retirement Plan

All City employees are eligible to participate in the City's defined contribution IRA plan. The City matches employee contributions up to 5% of their annual salary. The contributions are fully vested immediately and are remitted to a third-party administrator each pay period, where they are deposited to an account in the employee's name. The City does not assume any liability for the funds and does not have any control over the funds once they are remitted to the third-party administrator. During the year ended December 31, 2025, the City made contributions which totaled $9,672.

Note 9. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the City maintains commercial insurance policies covering its automobiles, professional liability, general liability, and surety bond coverage. There were no significant reductions in insurance coverage during the year ended December 31, 2025.

Note 10. Long-Term Liabilities

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

	Governmental Activities		Business-Type Activities			
	Compensated Absences	Limited Tax Revenue Bonds	Compensated Absences	Revenue Refunding Bonds	DEQ Revenue Bonds	Total
Balance January 1, 2025	$ 194,383	$ 100,437	$ 37,172	$ 750,000	$ 1,432,924	$ 2,514,916
Additions	-	-	-	-	-	-
Reductions	(15,486)	(9,989)	(21,506)	(70,000)	(262,999)	(379,980)
Balance December 31, 2025	$ 178,897	$ 90,448	$ 15,666	$ 680,000	$ 1,169,925	$ 2,134,936
Due within One Year	$ -	$ 10,264	$ 15,666	$ 75,000	$ 81,000	$ 181,930

Compensated absences for governmental activities are generally liquidated by the General Fund and Health and Sanitation Fund.

Outstanding bonds payable consisted of the following at December 31, 2025:

Governmental Activities - Revenue Bonds	
Limited Tax Revenue Bonds, Series 2018, issued February 2018 at $155,000 for purchase of garbage collection vehicles. Principal due in annual installments through 2033; interest rate of 2.75%. Payments are made from the Health and Sanitation Fund.	$ 90,448
Total Governmental Activities - Revenue Bonds	$ 90,448

Note 10. Long-Term Liabilities (Continued)

Business Type Activities - Revenue Bonds

Utilities Revenue Refunding Bonds, Series 2013, issued March 2013 at $1,345,000, to be used for the water system. Principal due in annual installments through 2033. Interest rate 4.25%. Payments are made from the Maintenance Enterprise Fund.	$	680,000
Utilities Revenue Bond, Series 2015, issued November 2015 at $575,000, between the City and Louisiana Department of Environmental Quality for improvements to the wastewater treatment facility. Principal due in annual installments through 2036; interest and administrative fees due semi-annually at rate of 0.95%. Payments made from the Utilities Maintenance Fund.		336,925
Utilities Revenue Bond, Series 2019, issued May 2019 at $1,500,000, between the City and Louisiana Department of Environmental Quality for improvements to the wastewater treatment facility. Principal due in annual installments through 2040; interest and administrative fees due semi-annually at rate of 0.95%. Payments made from the Utilities Maintenance Fund.		833,000
Utilities Revenue Bond, Series 2024, issued June 2024 at $547,000, between the City and Louisiana Department of Environmental Quality for improvements to the wastewater treatment facility. Principal due in annual installments through 2040; interest and administrative fees due semi-annually at rate of 0.95%. Payments made from the Utilities Maintenance Fund. This bond was forgiven in 2025.		-
Total Business Type Activities - Revenue Bonds	$	1,849,925

Debt service requirements on bonds payable as of December 31, 2025 are as follows:

Year Ending December 31,	Governmental Activities Principal	Governmental Activities Interest	Business-Type Activities Principal	Business-Type Activities Interest
2026	$ 10,264	$ 2,487	$ 156,000	$ 38,036
2027	10,546	2,205	156,000	34,078
2028	10,836	1,915	163,000	30,006
2029	11,134	1,617	169,000	25,707
2030	11,440	1,311	169,000	20,783
2031 to 2035	36,228	1,337	714,000	43,224
2036 to 2040	-	-	322,925	7,115
Total	$ 90,448	$ 10,872	$ 1,849,925	$ 198,949

Note 11. On-Behalf Supplemental Pay

Certain employees meeting statutory qualifications in the fire and police departments receive supplemental pay directly from the State of Louisiana. Supplemental pay in the amount of $53,320 was recognized as intergovernmental revenue and public safety expenditures in the fund financial statements for the year ended December 31, 2025.

Note 12. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issues, June 21, 2026, and determined that no events occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Note 13. Recently Issued Accounting Pronouncements

Adopted Accounting Pronouncements

GASB Statement No. 102, *Certain Risk Disclosures*

The objective of the Statement is to provide users of government financial statements with essential information about risks related to government's vulnerabilities due to certain concentrations or constraints. The adoption of this Statement did not have a significant effect on the City's financial statements.

Note 14. Recently Issued Accounting Pronouncements (Continued)

New Upcoming Accounting Pronouncements

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

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

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

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

GASB Statement No. 105, *Subsequent Events*

The objective of the Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The Statement is effective for fiscal years beginning after June 15, 2026.

Management is currently evaluating the effects of the new GASB pronouncements scheduled for implementation for the fiscal year ending December 31, 2026.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

CITY OF GRAMBLING, LOUISIANA
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2025

Schedule I

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Property Taxes	$ 644,000	$ 716,100	$ 721,641	$ 5,541
Sales Taxes	688,000	780,000	847,147	67,147
Franchise Taxes and Fees	92,000	83,900	109,650	25,750
Licenses and Permits	130,200	128,900	102,101	(26,799)
Fines and Forfeitures	363,500	212,200	317,565	105,365
Intergovernmental Revenues	165,350	181,401	574,805	393,404
Miscellaneous Income	83,250	82,200	41,863	(40,337)
Interest Income	-	-	2	2
Total Revenues	2,166,300	2,184,701	2,714,774	530,073
Expenditures				
Salaries and Supplemental Wages	1,163,844	1,163,844	1,333,329	(169,485)
Council Per Diem and Extra Meetings	48,895	48,895	50,400	(1,505)
Employee Benefits Expense	314,589	324,589	361,152	(36,563)
Mayor's Expense	3,000	3,000	100	2,900
Dues and Subscriptions	5,355	5,355	9,185	(3,830)
Audit	15,000	15,000	21,426	(6,426)
Grounds Maintenance and Repair	15,000	15,000	5,188	9,812
Election and Registration	1,220	1,220	730	490
Insurance	135,354	135,354	138,518	(3,164)
Legal Contracted	165,668	165,668	167,890	(2,222)
Utilities and Telephone	71,154	71,154	93,883	(22,729)
Lincoln Parish Tax Assessor	2,100	2,100	3,862	(1,762)
Supplies and Equipment	37,948	37,948	56,854	(18,906)
Travel, Meals, and Entertainment	16,000	16,000	10,969	5,031
Repairs and Maintenance	54,879	54,879	33,311	21,568
Sales Tax Expense	1,802	1,802	-	1,802
Bank Charges	9,448	9,448	20,544	(11,096)
Uniforms	6,500	6,500	21,710	(15,210)
Equipment Lease	5,654	5,654	-	5,654
Personnel Training	4,000	4,000	1,345	2,655
Town Hall Expense	7,137	7,137	10,688	(3,551)
Drug Screening	330	330	338	(8)
Coroner	1,430	1,430	3,880	(2,450)
Professional Fees	30,000	30,000	7,326	22,674
Contracted Services	40,000	40,000	12,790	27,210
Software Support	20,000	20,000	19,170	830
Street Expenses	30,000	30,000	62,688	(32,688)
Capital Outlay	53,424	53,424	447,277	(393,853)
Total Expenditures	2,259,731	2,269,731	2,894,553	(624,822)
Net Change in Fund Balance	$ (93,431)	$ (85,030)	(179,779)	$ (94,749)
Fund Balance, Beginning of Year			(324,113)	
Fund Balance, End of Year			$ (503,892)	

See independent auditor's report.

CITY OF GRAMBLING, LOUISIANA
Schedule II

Budgetary Comparison Schedule
Special Revenue Fund - Health and Sanitation
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Sales Taxes	$ 225,000	$ 370,000	$ 374,238	$ 4,238
Charges for Services	112,289	106,600	166,072	59,472
Interest Income	300	250	365	115
Miscellaneous	1,037	300	69	(231)
Total Revenues	338,626	477,150	540,744	63,594
Expenditures				
Salaries, Direct and Indirect	179,341	158,034	189,486	(31,452)
Employee Benefits	39,000	39,819	67,976	(28,157)
Liability and Vehicle Insurance	7,500	3,750	-	3,750
Accounting and Audit Expense	10,000	12,330	12,333	(3)
Supplies	9,413	12,550	4,904	7,646
Telephone and Other Utilities	4,251	13,237	3,792	9,445
Professional Fees	8,230	303	563	(260)
Gas and Oil	3,333	18,813	12,198	6,615
Repairs and Maintenance	38,061	40,312	45,564	(5,252)
Miscellaneous Expense	321	5,855	15,871	(10,016)
Uniforms	5,000	9,689	9,304	385
Debt Service				
Principal	12,751	12,751	9,989	2,762
Interest and Service Charges	-	-	2,762	(2,762)
Total Expenditures	317,201	327,443	374,742	(47,299)
Net Change in Fund Balance	$ 21,425	$ 149,707	166,002	$ 16,295
Fund Balance, Beginning of Year			230,096	
Fund Balance, End of Year			$ 396,098	

See independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

CITY OF GRAMBLING, LOUISIANA **Schedule III**
Combining Balance Sheet
Non-Major Governmental Funds
For the Year Ended December 31, 2025

	25% Economic Development Sales Tax[1]	Legends Square Taxing District[2]	Economic Development District 1 Fund[3]	Total Non-Major Governmental Funds
Assets				
Cash and Cash Equivalents	$ 237,979	$ 243,485	$ 16,165	$ 497,629
Sales Taxes Receivable, Net	18,278	7,187	1,437	26,902
Interfund Receivables	24,904	-	-	24,904
Total Assets	$ 281,161	$ 250,672	$ 17,602	$ 549,435
Liabilities and Fund Balances				
Liabilities				
Interfund Payables	-	-	24,904	24,904
Total Liabilities	-	-	24,904	24,904
Fund Balances				
Restricted	281,161	250,672	(7,302)	524,531
Total Fund Balances	281,161	250,672	(7,302)	524,531
Total Liabilities and Fund Balances	$ 281,161	$ 250,672	$ 17,602	$ 549,435

(1) **25% Economic Development Sales Tax** - This fund is used to account for sales taxes levied by the City in order to promote economic development within the City of Grambling.

(2) **Legends Square Taxing District** - This fund is used to account for the collection of sales taxes, grants, and charges for services in order to fund the construction and maintenance of operations of the retail stores located with the jurisdiction of the City of Grambling.

(3) **Grambling Economic Development District No. 1** - This fund is used to account for the collection of a one-half of one percent (0.50%) of sales tax levied within the District to fund economic development projects within such District.

CITY OF GRAMBLING, LOUISIANA **Schedule IV**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Non-Major Governmental Funds

For the Year Ended December 31, 2025

	25% Economic Development Sales Tax[1]	Legends Square Taxing District[2]	Economic Development District 1 Fund[3]	Total Non-Major Governmental Funds
Revenues				
Sales Taxes	$ 200,789	$ 98,585	$ 19,052	$ 318,426
Interest Income	210	-	1	211
Total Revenues	200,999	98,585	19,053	318,637
Expenditures				
Economic Development	76,864	63,190	59,688	199,742
Total Expenditures	76,864	63,190	59,688	199,742
Excess of Revenues Over Expenditures	124,135	35,395	(40,635)	118,895
Net Change in Fund Balances	124,135	35,395	(40,635)	118,895
Fund Balances, Beginning of Year	157,026	215,277	33,333	405,636
Fund Balances, End of Year	$ 281,161	$ 250,672	$ (7,302)	$ 524,531

(1) **25% Economic Development Sales Tax** - This fund is used to account for sales taxes levied by the City in order to promote economic development within the City of Grambling.

(2) **Legends Square Taxing District** - This fund is used to account for the collection of sales taxes, grants, and charges for services in order to fund the construction and maintenance of operations of the retail stores located with the jurisdiction of the City of Grambling.

(3) **Grambling Economic Development District No. 1** - This fund is used to account for the collection of a one-half of one percent (0.50%) of sales tax levied within the District to fund economic development projects within such District.

CITY OF GRAMBLING, LOUISIANA **Schedule V**
Schedule of Insurance Coverage
For the Year Ended December 31, 2025

Coverage Type	Insurer	Coverage Limit	Expiration Date
Commercial Property	EMC Insurance	$ 2,347,580	7/30/2026
Personal Property of Business	EMC Insurance	$ 654,650	7/30/2026
Automobile	Lloyd's, London/HDI Global Specialty	$1,000,000 per occurrence: cash value not to exceed $188,000	7/30/2026
Fidelity Bond	Travelers	$ 100,000	7/30/2026

Schedule of Water and Sewer Rates

Service	In City Limits	Outside of City Limits
Residential	$24.85 for the first 2,000 gallons, plus an additional user rate of $2.49 and $1 per each additional 1,000 gallons	$32.75 for the first 2,000 gallons, plus an additional user rate of $3.31 and $1 per each additional 1,000 gallons
Commercial	$33.31 for the first 2,000 gallons, plus an additional user rate of $3.33 and $1 per each additional 1,000 gallons	$30.63 for the first 2,000 gallons, plus an additional user rate of $3.06 and $1 per each additional 1,000 gallons
Sewer		
Residential	$27.85 for the first 2,000 gallons, then $2.79 per each additional 1,000 gallons	$33.12 for the first 1,000 gallons, then $3.31 per each additional 1,000 gallons
Commercial	$37.31 for the first 1,000 gallons, then $3.73 per each additional 1,000 gallons up to 16,000, then $2.63 per each additional 1,000 gallons	$30.63 for the first 1,000 gallons, then $3.06 per each additional 1,000 gallons up to 16,000, then $2.63 per each additional 1,000 gallons

Schedule of Customer Breakdown and Average Monthly Billing per User

Category	Average # of Customers
Commercial	95
Residential	1,005
Total	1,100

Aggregate dollar amount billed during 2025	$	1,350,271
Average monthly billing per user	$	102

Schedule of Compensation Paid to Council Members
For the Year Ended December 31, 2025

The Schedule of compensation paid to council members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Section of the Louisiana Legislature. Compensation of council members is included in general government expenditures of the General Fund.

Council Member	Term Expiration		Compensation Paid
Delores Smith, Mayor Pro-Tem	December 31, 2028	$	16,800
John Brown, Jr.	December 31, 2028		8,400
Cathy Holmes Giles	December 31, 2028		8,400
Jerry Lewis	December 31, 2028		8,400
DeVaria Ponton	December 31, 2028		8,400
Total		$	50,400

See independent auditor's report.

CITY OF GRAMBLING, LOUISIANA **Schedule VIII**
Schedule of Compensation, Benefits, and Other Payments to Mayor
For the Year Ended December 31, 2025

Agency Head
Alvin R. Bradley, Mayor

Purpose	Amount
Salary	$69,992
Benefits - Insurance	$0
Benefits - Retirement	$0
Benefits - Other	$0
Car Allowance	$0
Vehicle Provided by Government	$0
Per Diem	$0
Reimbursements	$829
Travel	$3,309
Registration Fees	$0
Conference Travel	$0
Continuing Professional Education Fees	$0
Housing	$0
Unvouchered Expenses	$0
Special Meals	$0
Cell Phone	$0

See independent auditor's report.

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

Schedule IX

1. Agency ID of Reporting Agency (Enter your agency's four or five digit Agency ID.)	2254	
2. Name of Reporting Agency (Edit the name if needed.)	City of Grambling	
3. Date that reporting period ended (mm/dd/yyyy)	12/31/2025	
4. Did you collect or disburse money during year?	Yes	
5. Did another agency send you money during the year?	No	

See independent auditor's report.

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

Schedule IX

	Amount for 01/01/2025 - 06/30/2025	Amount for 07/01/2025 - 12/31/2025
1. Beginning Cash Balance	-	65,889
2. Collections		
a. Civil Fees	-	-
b. Bond Fees	-	-
c. Cash Bonds	-	-
d. Asset Forfeiture/Sale	-	-
e. Pre-Trial Diversion Program Fees	-	-
f. Criminal Court Costs/Fees	126,923	162,078
g. Criminal Fines – Contempt	-	-
h. Criminal Fines – Other/Non-Contempt	-	-
i. Restitution	-	-
j. Probation/Parole/Supervision Fees	-	-
k. Service Fees	-	-
l. Collection Fees	-	-
m. Interest Earnings on Collected Balances	-	-
n. Other	-	-
Total Collected	126,923	162,078
3. Deductions: Collections Retained by the City of Grambling		
I. Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
II. Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
III. Other Amounts "Self-Disbursed" [Enter amounts on appropriate collection type lines]		
a. Civil Fees	-	-
b. Bond Fees	-	-
c. Cash Bonds	-	-
d. Asset Forfeiture/Sale	-	-
e. Pre-Trial Diversion Program Fees	-	-
f. Criminal Court Costs/Fees	24,053	32,328
g. Criminal Fines – Contempt	-	-
h. Criminal Fines – Other/Non-Contempt	-	-
i. Restitution	-	-
j. Probation/Parole/Supervision Fees	-	-
k. Service Fees	-	-
l. Collection Fees [excluding amounts reported in bullets I and II above]	-	-
m. Interest Earnings on Collected Balances	-	-
n. Other	-	-
Total Collections Retained by the City of Grambling	24,053	32,328
4. Deductions: Amounts Disbursed to Individuals and Entities, Excluding Governments and Nonprofits		
a. Collection/Processing Fees Paid to Third Party Entities	11,819	8,356
b. Civil Fee Refunds	-	-
c. Bond Refunds	-	-
d. Restitution Disbursements to Individuals and Entities, Excluding Governments or a Nonprofit	-	-
e. Other Disbursements to Individuals and Entities, Excluding Governments or a Nonprofit	1,110	1,005
Total Amounts Disbursed to Individuals and Entities, Excluding Governments and Nonprofits	12,928	9,360
5. Deductions: Total Disbursements to Other Governments & Nonprofits [See Disbursements to Other Governments & Nonprofits Form for Details]	24,053	32,327
6. Total Amounts Disbursed/Retained	61,034	74,015
7. Ending Cash Balance	**65,889**	**153,952**
8. Ending Balance of "Partial Payments" Collected but not Disbursed	-	-

See independent auditor's report.

9. Other Information:		
I. Ending Balance of Amounts Assessed but Not Yet Collected [i.e. total ending receivable balances]	-	-
II. Total Waivers During the Fiscal Period [i.e. non-cash reduction of receivable balances, such as time served or community service]	-	-

See independent auditor's report.

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

5. Details of Disbursements To Other Governments & Nonprofits (Do not include amounts retained by your entity in this table.)

Agency Receiving Money	**Disbursement Description [Fund, Program, etc.]** (Optional)	**Legal Authority to Disburse Money**	**Disbursement Type**	**Amount for 01/01/2025 - 06/30/2025**	**Amount for 07/01/2025 - 12/31/2025**
Supreme Court	§86. Judicial College; education account; sources of funds	R.S. 13:86	f. Criminal Court Costs/Fees	242	316
LA Commission on Law Enforcement and Administration of Criminal Justice		R.S. 46:1816(D)	f. Criminal Court Costs/Fees	1,432	1,854
Out of State: North Louisiana Criminalistics Laboratory		R.S. 46:1816(D)	f. Criminal Court Costs/Fees	14,411	19,577
Ruston Lincoln Crime Stoppers Inc	Art. 895.4. Probation; fees; certified crime stoppers organizations	CCRP 895.4	f. Criminal Court Costs/Fees	968	1,252
Out of State: Traumatic Brain & Spinal Cord Injury Trust Fund Program		R.S. 46:2633	f. Criminal Court Costs/Fees	2,393	3,091
Out of State: Louisiana Commission on Law Enforecment and Administration of Criminal Justice	§1898. Collection and disposition of fines; forfeitures; penalties; and costs	R.S. 13:1898	f. Criminal Court Costs/Fees	4,508	5,887
Out of State: State Treasurer Office Disability Affairs Trust		R.S. 13:1898	f. Criminal Court Costs/Fees	100	350

See independent auditor’s report.

MAULDIN & JENKINS

CPAs & ADVISORS

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

Independent Auditor's Report

To the Honorable Alvin R. Bradley, Mayor,
and Members of the City Council
City of Grambling, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Grambling, Louisiana (the City) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 21, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

City of Grambling's Responses to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Mauldin & Jenkins, LLC

Baton Rouge, LA
June 21, 2026

MAULDIN & JENKINS
CPAs & ADVISORS

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Independent Auditor's Report

To the Honorable Alvin Bradley, Mayor
and Members of the City Council
City of Grambling, Louisiana

Opinion on Each Major Program

We have audited the City of Grambling, Louisiana's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct or material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance
Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above has occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirement of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Mauldin & Jenkins, LLC

Baton Rouge, LA
June 21, 2026

CITY OF GRAMBLING, LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Grantor/Pass-Through Grantor/ Program Title	Assistance Listing Number	Grant Number	Expenditures
United States Department of Housing and Urban Development			
Passed through the Louisiana Office of Community Development			
Community Development Block Grant	14.228	None	$ 811,584 *
Total United Statements Department of Housing and Urban Development			811,584
United States Environmental Protection Agency			
Passed through Louisiana Department of Environmental Quality			
Capitalization Grants for Clean Water State Revolving Funds	66.458	CS221058-01	586,241
Total Environmental Protection Agency			586,241
Delta Regional Authority			
States Economic Development Assistance Program	90.204	None	141,300
Total Delta Regional Authority			141,300
Total Expenditures of Federal Awards			$ 1,539,125

* Major Program

Note 1. Basis of Presentation

The schedule of expenditures of federal awards includes the grant activity of the City of Grambling and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. Indirect Cost Rate

The City did not elect to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. Loan Balances

At December 31, 2025, the City had outstanding loan balances with the Louisiana Department of Environmental Quality funded by the Capitalization Grants for Clean Water State Revolving Funds (Assistance Listing #66.458) totaling $1,169,925.

CITY OF GRAMBLING, LOUISIANA
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2025

A. Summary of Auditor's Results

Financial Results

1. Type of auditor's report	Unmodified
2. Internal control over financial reporting:	
a) Material weaknesses identified?	None
b) Significant deficiencies identified not considered to be material weaknesses?	None
c) Noncompliance material to the financial statements noted?	Yes

Federal Awards

1. Internal control over major programs	
a. Material weaknesses identified?	None
b. Significant deficiencies identified?	None Reported
2. Type of auditor's report issued on compliance for each major program	Unmodified
3. Audit findings disclosed that are required in accordance with the Uniform Guidance	No
4. Identification of major programs	
14.228 - Community Development Block Grant	
5. Dollar threshold used to distinguish between Type A and B programs	$1,000,000
6. Auditee qualified as a low-risk auditee?	No

Financial Statement Findings

2025-001 Violation of Debt Covenants

Criteria: As part of the agreement for their various bonds, the City is required to adhere to certain conditions and requirements set forth in such debt agreements, including the creation and maintenance of certain sinking and reserve funds.

Condition: The City has created and adequately funded the sinking fund as required by the bond covenants but has not appropriately created and maintained all the reserve funds required by the debt agreements. In addition, we noted that credit card utility payments were deposited in the general fund during the year ended December 31, 2025.

Cause: Unknown.

Effect: The City is not in compliance with its debt agreements.

Recommendation: The City should review debt agreements, create all necessary reserve accounts, and to the extent possible, set up automatic monthly transfers to fund each account as mandated by each debt agreement.

Management's Response: The City will review their current restricted funds and revise use and maintenance of accounts as necessary to be in compliance with debt agreements.

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

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

Condition: State law requires that budgets be amended when actual revenues are less than budgeted revenues or actual expenditures and other financing uses exceed budgeted amounts by 5% or more. For the year ended December 31, 2025, the General Fund had actual expenditures of $2,894,553 which exceeded budgeted expenditures of $2,269,731 which resulted in an unfavorable variance of $624,822, or 22%. The Health and Sanitation special revenue fund had actual expenditures of $374,742 which exceeded budgeted expenditures of $327,443 resulting in an unfavorable variance of 14%

Cause: Unknown.

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

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

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

Financial Statement Findings

2024-001 Significant Audit Adjusting Entries and Controls over Journal Entry Processing

Status: This finding has been resolved.

2024-002 Violation of Debt Covenants

Status: This finding has not been resolved. See current year finding 2025-001.

2024-003 Noncompliance with Fiscal Agency and Cash Management Laws

Status: This finding has been resolved.

MAULDIN & JENKINS
CPAs & ADVISORS

AGREED-UPON PROCEDURES REPORT

City of Grambling, Louisiana

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2025 - December 31, 2025

To the Council of
the City of Grambling, Louisiana and
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the City of Grambling, Louisiana's (the City) control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year January 1, 2025 through December 31, 2025. The City's management is responsible for those C/C areas identified in the SAUPs.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal year January 1, 2025 through December 31, 2025. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and results are as follows:

1) Written Policies and Procedures

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.

Results: We observed subcategories (2), (4), and (5) are not present in procedure ii. We noted subcategory (4) was not present for procedure viii. We observed subcategories (2) and (3) were not present in procedure xii. We observed no written policies and procedures for procedures ii, iii, iv, vi, and x. We observed no other exceptions in the performance of these procedures.

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.

Results: We observed that the City Council meets on a monthly basis. We observed that the minutes did include references to budget to actual comparisons although not monthly for general and special revenue funds. We observed that the General Fund had a deficit in the prior year audit report and we noted that there were no formal plans to eliminate the negative unassigned fund balance of the general fund. We observed that there were no references to the resolution of prior audit findings.

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 (e.g., initialed and dated, 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.

Results: We performed the above procedures and observed that four out of five bank reconciliations were not reconciled within 2 months of closing and that there was no written evidence that a member of management or a board member reviewed them. We observed one out of five bank reconciliations had outstanding items over 12 months that have not been investigated. No other exceptions noted.

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 (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

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

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

iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, 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 enforced 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.

Results: We observed no exceptions in the performance of these 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, 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.

C. For each location selected under procedure #5A above, obtain the City'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 that supporting documentation indicates that deliverables included on the invoice were received by the City, 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 City'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 City's policy, and (b) approved by the required number of authorized signers per the City's policy.

Results: We observed no exceptions in the performance of these 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., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval 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, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to 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.

Results: We observed a finance charge was assessed on one card tested. On one credit card tested we observed that there was no itemized receipt for two credit card charges. We noted no other exceptions in the performance of these procedures.

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 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.

Results: We observed no exceptions in the performance of these procedures.

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.

Results: We observed no exceptions in the performance of these procedures.

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/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 City's cumulative leave records; and

iv. Observe whether 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/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the City's policy on termination payments. Agree the hours to the employee's or officials' cumulative leave records, agree the pay rates to the employee's or officials' authorized pay rates in the employee's or officials' personnel files, and agree the termination payment to City 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, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: We observed no exceptions in the performance of these procedures.

10) Ethics

A. Using the 5 randomly selected employees/official 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 City maintains documentation which demonstrates that each employee and official were notified of any changes to the City'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.

Results: We observed that one employee/official out of five tested did not complete the one hour training. We observed no other exceptions in the performance of these procedures.

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).

Results: We observed that utility fund credit card payments were deposited in the General Fund. We observed that the City has not maintained contingency funds as required by its revenue bonds' covenants. We observed no other exceptions in the performance of these procedures.

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 City reported the misappropriation(s) to the Legislative Auditor and the district attorney of the parish in which the City is domiciled as required by R.S. 24:523.

B. Observe that the City 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.

Results: We observed that the fraud notice was not present on the City's website. We noted no other exceptions in the performance of these 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 City's most recent documentation that it has backed up its critical data (if 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 City's most recent documentation that it has tested/verified that its backups can be restored (if 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 City'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:

   i. Hired before June 9, 2020 - completed the training; and

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

Results: 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 City has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the City's premises if the City does not have a website).

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

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

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

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

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

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

Results: We observed that one employee/official out of five tested did not complete the one hour training. We observed that the City's sexual harassment policy is not on its website. We observed no other exceptions in the performance of these procedures.

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

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

This report is intended solely to describe the scope of testing on those C/C areas identified in Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, and the results of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Mauldin & Jenkins, LLC

Baton Rouge, LA
June 21, 2026