

TOWN OF ADDIS, LOUISIANA

ANNUAL FINANCIAL REPORT

**As of and For the Year Ended
December 31, 2024**

Town of Addis, LOUISIANA

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December 31, 2024

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(August 10, 1933 – August 31, 2024)

INDEPENDENT AUDITOR’S REPORT

To the Honorable David Toups, Mayor
and the Council Members
Town of Addis
Addis, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Town of Addis, Louisiana as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town of Addis, Louisiana’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Addis, Louisiana, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Required Supplementary Information on pages 5-13 and 59-61 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Addis, Louisiana's basic financial statements. The accompanying supplementary schedules on pages 64-67 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information on pages 68-71 does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2025, on our consideration of the Town of Addis, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Addis, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Addis, Louisiana's internal control over financial reporting and compliance.

Plaquemine, Louisiana

June 26, 2025

Town of Addis, Louisiana

Management's Discussion and Analysis (Unaudited)

We offer the readers of the financial statements of the Town of Addis, Louisiana, this narrative overview and analysis of the financial activities of the Town of Addis (hereafter referred to as the "Town") for the fiscal year ended December 31, 2024.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2024 fiscal year include the following:

- The Town's assets exceeded its liabilities at the close of the fiscal year by \$38,059,597 (net position). Of this amount, \$6,185,658 (unrestricted net position) may be used to meet the government's obligations to citizens and creditors.
- The Town's total net position decreased by \$1,866,159 for the year ended December 31, 2024. Net position of governmental activities decreased by \$2,443,861, and net position of business-type activities increased by \$577,702.
- As of the close of the current fiscal year, the Town's governmental fund reported an ending fund balance of \$6,577,367, a decrease of \$1,737,025 in comparison with the prior fiscal year. Of this amount, \$203,036 is restricted in use.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the General Fund was \$6,374,331 or 67.0% of total General Fund expenditures.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business, and are reported in two government-wide financial statements:

- The **Statement of Net Position** presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

Town of Addis, Louisiana

Management's Discussion and Analysis (Unaudited), Continued

- The **Statement of Activities** presents information showing how the Town's net position changed during the most recent fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Town's distinct activities or functions on revenues provided by the Town's taxpayers.

The Town's government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The Town's governmental activities include general government, public safety, streets and roads. The business-type activities of the Town include sanitary sewer facilities.

Fund Financial Statements:

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. The Town's funds are classified into two categories: governmental funds and proprietary funds.

- ***Governmental Funds:*** These funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. The focus is very different with fund statements providing a distinctive view of the Town's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

The focus of governmental funds is narrower than that of the government-wide financial statements; therefore, a comparison should be made between the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This will present a better understanding of the long-term impact of the government's near-term financing decisions.

The Town maintains a General governmental fund which covers the operations of the Town, including police protection services for citizens, maintenance of streets and roads, and the general administrative office.

The Town adopts an annual appropriated budget for its General fund. A budgetary comparison statement has been provided for the General fund to demonstrate compliance with this budget.

Town of Addis, Louisiana

Management's Discussion and Analysis (Unaudited), Continued

- **Proprietary funds:** The Town maintains one type of proprietary fund—*Enterprise*. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for its sanitary sewer facilities activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Notes to the Financial Statements

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

Town of Addis, Louisiana

Management's Discussion and Analysis (Unaudited), Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceed liabilities by \$38,059,597 at December 31, 2024.

A large portion of the Town's net position (83 percent) reflects its investment in capital assets (e.g., land, buildings, furniture and fixtures, machinery, vehicles and equipment), less any related debt used to acquire those assets that are still outstanding. The Town used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

A condensed version of the Town's Net Position is presented as follows:

	Government Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 10,112,784	\$ 8,539,082	\$ 5,129,462	\$ 5,243,639	\$ 15,242,246	\$ 13,782,721
Capital assets	22,983,267	22,157,327	11,229,250	10,837,443	34,212,517	32,994,770
Total assets	33,096,051	30,696,409	16,358,712	16,081,082	49,454,763	46,777,491
Deferred outflows	377,994	685,332	-	-	377,994	685,332
Current and other liabilities	3,492,577	206,406	2,536,219	2,605,291	6,028,796	2,811,697
Long-term liabilities	3,259,364	2,009,370	2,485,000	2,716,000	5,744,364	4,725,370
Total liabilities	6,751,941	2,215,776	5,021,219	5,321,291	11,773,160	7,537,067
Deferred inflows	-	-	-	-	-	-
Net position:						
Net Investment						
in Capital Assets	22,944,433	22,219,950	8,514,250	7,894,443	31,458,683	30,114,393
Restricted for:						
Road maintenance	203,036	203,036	-	-	203,036	203,036
Debt service	-	-	212,220	217,425	212,220	217,425
Unrestricted	3,574,635	6,742,979	2,611,023	2,647,923	6,185,658	9,390,902
Total net position	\$ 26,722,104	\$29,165,965	\$ 11,337,493	\$10,759,791	\$ 38,059,597	\$ 39,925,756

The balance of unrestricted net position, \$6,185,658, may be used to meet the government's ongoing obligations to citizens and creditors.

At December 31, 2024, the Town is able to report positive fund balances in all categories of net position for governmental activities and business activities.

The Town's net position decreased by \$1,866,159 during the current fiscal year. Net position from governmental activities decreased \$2,443,861 and its business-type activities had an increase of \$577,702.

Town of Addis, Louisiana

Management's Discussion and Analysis (Unaudited), Continued

A condensed version of the Town of Addis's Statement of Activities is presented as follows:

	Government Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	\$ 504,044	\$ 502,055	\$ 1,346,913	\$ 1,407,924	\$ 1,850,957	\$ 1,909,979
Grants and contributions	132,374	148,567	566,104	-	698,478	148,567
Capital grants and contributions	25,000	2,136,000	-	350,000	25,000	2,486,000
General revenues:						
Sales taxes	6,714,700	5,460,475	-	-	6,714,700	5,460,475
Other taxes	369,382	372,551	-	-	369,382	372,551
Licenses and permits	-	-	-	-	-	-
Other general revenues	69,946	95,088	129,124	110,305	199,070	205,393
Total revenues	7,815,446	8,714,736	2,042,141	1,868,229	9,857,587	10,582,965
Expenses						
General government	6,673,952	2,367,318	-	-	6,673,952	2,367,318
Public safety	2,428,141	2,525,256	-	-	2,428,141	2,525,256
Public services	1,168,714	891,213	-	-	1,168,714	891,213
Water, sewage and gas	-	-	1,464,439	1,334,457	1,464,439	1,334,457
Total expenses	10,270,807	5,783,787	1,464,439	1,334,457	11,735,246	7,118,244
Excess (Deficiency) before Transfers and Other Financing Sources (Uses)	(2,455,361)	2,930,949	577,702	533,772	(1,877,659)	3,464,721
Gain on disposal of fixed assets	11,500	6,600	-	-	11,500	6,600
Change in net position	(2,443,861)	2,937,549	577,702	533,772	(1,866,159)	3,471,321
Net position, beginning of year	29,165,965	26,228,416	10,759,791	10,226,019	39,925,756	36,454,435
Net position, end of year	\$ 26,722,104	\$ 29,165,965	\$ 11,337,493	\$ 10,759,791	\$ 38,059,597	\$ 39,925,756

Town of Addis, Louisiana

Management's Discussion and Analysis (Unaudited), Continued

GOVERNMENTAL FUND FINANCIAL ANALYSIS

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

Governmental Funds. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As a measure of the Town's liquidity, it may be useful to compare fund balance to total expenditures. Unreserved and unassigned fund balance represents 67% of total fund expenditures.

During the current year, the fund balance of the Town's general fund decreased by \$1,737,025.

Proprietary Funds. The Town's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. As noted above, the Town maintains one enterprise fund for its sanitary sewer facilities activities. For the fiscal year ended December 31, 2024, this fund reported net position of \$11,337,493, which is a net increase from the prior year of \$577,702.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town received \$1,882,747 more than its budgeted revenues. Total expenditures were less than the final amended budget by \$1,408,078 resulting in a \$3,290,825 favorable variance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The Town's investment in capital assets for its governmental and business type activities as of December 31, 2024 amounts to \$34,212,517 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, and wastewater treatment plant.

Major capital asset events during the current fiscal year included the following:

- \$59,764 was spent for machinery & equipment for the town
- \$198,501 was spent on purchases of police vehicles
- \$53,780 was spent for the purchase of various police equipment
- \$1,293,425 was spent to overlay streets
- \$782,882 was spent on projects for the improvement to drainage
- \$190,758 was spent on wastewater treatment plant improvements
- \$578,739 was spent on construction in progress for improvements to the sewer system
- \$6,164 was spent on machinery and equipment for the sewer system
- \$58,156 was spent on the purchase of a vehicle for the sewer department

Town of Addis, Louisiana

Management's Discussion and Analysis (Unaudited), Continued

	Government Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 727,136	\$ 727,136	\$ 16,755	\$ 16,755	\$ 743,891	\$ 743,891
Land rights	-	-	61,641	61,641	61,641	61,641
Construction in Progress	80,638	170,377	614,037	371,373	694,675	541,750
Improvements other than buildings	30,995,552	28,816,506	-	-	30,995,552	28,816,506
Buildings and structures	947,517	947,517	86,169	86,169	1,033,686	1,033,686
Historic railroad park	833,435	833,435	-	-	833,435	833,435
Museum	196,669	196,669	-	-	196,669	196,669
Sewer facility	-	-	15,788,448	15,261,614	15,788,448	15,261,614
Furniture and fixtures	32,582	32,582	-	-	32,582	32,582
Vehicles						
Town	59,092	71,891	164,720	106,564	223,812	178,455
Police	933,870	851,785	-	-	933,870	851,785
Machinery and equipment						
Town	1,027,524	967,760	726,618	720,455	1,754,142	1,688,215
Police	177,077	123,298	-	-	177,077	123,298
Website	12,195	12,195	-	-	12,195	12,195
Works of art	9,343	9,343	-	-	9,343	9,343
Subtotal	36,032,630	33,760,494	17,458,388	16,624,571	53,491,018	50,385,065
Less: Accumulated depreciation	(13,087,875)	(11,666,175)	(6,229,138)	(5,787,128)	(19,317,013)	(17,453,303)
	22,944,755	22,094,319	11,229,250	10,837,443	34,174,005	32,931,762
SBITA	108,463	108,463	-	-	108,463	108,463
Less: accumulated amortization	(69,951)	(45,455)	-	-	(69,951)	(45,455)
	38,512	63,008	-	-	38,512	63,008
Total investment in capital assets, net	\$ 22,983,267	\$ 22,157,327	\$ 11,229,250	\$ 10,837,443	\$ 34,212,517	\$ 32,994,770

Town of Addis, Louisiana

Management's Discussion and Analysis (Unaudited), Continued

Long-term Debt:

The Department of Environmental Quality (DEQ) project to upgrade the wastewater treatment plant began in 2010 and is financed by issuance of \$1,569,060 Sewer Revenue Bonds Series 2010. The bonds were purchased by the Clean Water State Revolving Fund (CFDA 66.458) administered by the Louisiana Department of Environmental Quality. All projects were completed during 2012 and the Town had received loan proceeds in the amount of \$1,569,060. As of December 31, 2024, the outstanding loan balance was \$503,000. During 2017, another loan was approved for up to \$3,000,000 in improvements to the sewer system. The project was completed during 2021 and the Town received loan proceeds in the amount of \$3,000,000. As of December 31, 2024, the outstanding loan balance was \$2,212,000. The total outstanding on the two loans was \$2,715,000 as of December 31, 2024. As of December 31, 2024, the Town reported a total Subscription-Based Information Technology Arrangement (SBITA) liability of \$38,834. See Note 8 to the basic financial statements for further discussion of SBITA liability.

Long Term Debt

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenue Bonds Payable	\$ -	\$ -	\$ 2,715,000	\$ 2,943,000	\$ 2,715,000	\$ 2,943,000
Net Pension Liability	1,744,984	1,970,536	-	-	1,744,984	1,970,536
Compensated absences	11,520	9,413	-	1,000	11,520	10,413
SBITA	38,834	62,623	-	-	38,834	62,623
Total Long Term Debt	<u>\$ 1,795,338</u>	<u>\$ 2,042,572</u>	<u>\$ 2,715,000</u>	<u>\$ 2,944,000</u>	<u>\$ 4,510,338</u>	<u>\$ 4,986,572</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Generally, the outlook for 2025 is very favorable for projected revenues. 2025 revenues are meeting projections so far, and with several industrial expansions and growth in population, the adjustment to sales tax revenues should be favorable to trend upwards. Health insurance premiums were budgeted for a 15% increase, but will only increase by 8.82% effective May 1, 2025, and employees were given a 4% raise, which was also budgeted. The Town's contribution to the Louisiana Municipal Police Employee Retirement program will decrease from 35.6% to 33.475%, effective July 1, 2025. The Town also budgeted \$700,000 to be used for road improvement projects in 2025, \$600,000 drainage improvement projects, \$225,000 in public works equipment purchases, and \$150,000 in police department equipment purchases.

The Sewer Fund capital outlay budget includes funding for the purchase of new equipment and upgrades to existing sewer infrastructure, more projects and increases to the budget may happen as projects are

Town of Addis, Louisiana

Management's Discussion and Analysis (Unaudited), Continued

approved to use the Coronavirus State and Local Fiscal Recovery Funds. Health insurance premiums were budgeted for a 15% increase but will only increase by 8.82% effective May 1, 2025, and employees were given a 4% salary increase. The Town also budgeted \$100,000 in equipment purchases in the Sewer Budget as well as \$200,000 in sewer improvements.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to Jade Simpson, Town Clerk, at (225) 687-4844.

TOWN OF ADDIS, LOUISIANA

Statement of Net Position

December 31, 2024

	Primary Government		
	Government activities	Business-type activities	Total
Assets			
Cash and cash equivalents	\$ 8,656,550	\$ 1,940,341	\$ 10,596,891
Receivables, net	535,730	94,902	630,632
Due from other funds	14,071	(14,071)	-
Prepays	78,814	23,352	102,166
Inventory	-	75,024	75,024
Investments	612,640	-	612,640
Restricted:			
Cash and cash equivalents	214,979	446,495	661,474
Investments	-	2,563,419	2,563,419
Capital assets:			
Non-depreciable	807,774	692,435	1,500,209
Depreciable, net of depreciation	22,136,981	10,536,815	32,673,796
Intangible right-to-use software agreements, net of amortization	38,512	-	38,512
Total assets	33,096,051	16,358,712	49,454,763
Deferred Outflow of Resources - Pension related	377,994	-	377,994
Total assets and deferred outflows of resources	33,474,045	16,358,712	49,832,757
Liabilities			
Current liabilities:			
Accounts payable	655,709	563,449	1,219,158
Retainage payable	29,210	-	29,210
Accrued liabilities	2,749,418	-	2,749,418
Refunds payable	3,390	-	3,390
Payable from restricted assets			
Civil bonds held	12,111	-	12,111
Accrued interest payable	-	4,275	4,275
Bonds payable, due within one year	-	230,000	230,000
Unearned revenues	6,765	1,738,495	1,745,260
Noncurrent liabilities:			
Due within one year:			
SBITA liability - current portion	24,454	-	24,454
Compensated absences	11,520	-	11,520
Due in more than one year:			
Compensated absences	-	-	-
Accrued liabilities	1,500,000	-	1,500,000
Bonds payable, due in more than one year	-	2,485,000	2,485,000
Net pension liability	1,744,984	-	1,744,984
SBITA liability - long-term	14,380	-	14,380
Total liabilities	6,751,941	5,021,219	11,773,160
Deferred Inflow of Resources - Pension related	-	-	-
Total liabilities and deferred inflows of resources	6,751,941	5,021,219	11,773,160
Net Position			
Invested in capital assets, net of related debt	22,944,433	8,514,250	31,458,683
Restricted for:			
Road maintenance	203,036	-	203,036
Debt service	-	212,220	212,220
Unrestricted	3,574,635	2,611,023	6,185,658
Total net position	\$ 26,722,104	\$ 11,337,493	\$ 38,059,597

TOWN OF ADDIS, LOUISIANA

Statement of Activities

For the Year Ended December 31, 2024

		Program Revenues			Net (expenses) revenue and change in net position		
					Primary Government		
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	Total
Functions/programs							
Primary government:							
Governmental activities:							
General government	\$ 6,673,952	\$ 227,570	\$ -	\$ -	\$ (6,446,382)	\$ -	\$ (6,446,382)
Public safety	2,428,141	269,729	98,799	25,000	(2,034,613)	-	(2,034,613)
Public services	1,168,714	6,745	33,575	-	(1,128,394)	-	(1,128,394)
Total governmental activities	10,270,807	504,044	132,374	25,000	(9,609,389)	-	(9,609,389)
Business-type activities							
Sewer user charges	1,464,439	1,346,913	566,104	-	-	448,578	448,578
Total business-type activities	\$ 1,464,439	\$ 1,346,913	\$ 566,104	\$ -	-	448,578	448,578
General revenues:							
General purpose sales and use taxes					6,714,700	-	6,714,700
Franchise taxes					348,953	-	348,953
Other taxes					20,429	-	20,429
Investment earnings					44,324	129,124	173,448
Other income					25,622	-	25,622
Total general revenues and transfers					7,154,028	129,124	7,283,152
Other financing sources (uses):							
Gain/(loss) on disposal of fixed assets					11,500	-	11,500
Change in net position					(2,443,861)	577,702	(1,866,159)
Net position - beginning					29,165,965	10,759,791	39,925,756
Net position - ending					\$ 26,722,104	\$11,337,493	\$ 38,059,597

The Accompanying Notes are an integral part of this statement

TOWN OF ADDIS, LOUISIANA

Balance Sheet-Governmental Fund-General Fund

December 31, 2024

	2024
Assets	
Cash and cash equivalents	\$ 8,656,550
Receivables-	
Franchise tax	112,842
Accrued interest	-
Other	1,290
Due from other governments-	
Sales tax	419,724
Other	1,874
Due from other funds	16,146
Investments	612,640
Restricted assets	
Cash	214,979
Total assets	<u>\$ 10,036,045</u>
Liabilities and Fund Balances	
Current liabilities:	
Accounts payable	\$ 655,709
Retainage payable	29,210
Accrued liabilities	2,749,418
Refunds payable	3,390
Due to other funds	2,075
Unearned revenue	6,765
Payable from restricted assets	
Bonds payable, due within one year	12,111
Total liabilities	<u>3,458,678</u>
Fund balances	
Restricted for road maintenance	203,036
Unassigned	6,374,331
Total fund balances	<u>\$ 6,577,367</u>
Total Liabilities and Fund Balances	<u>\$ 10,036,045</u>

TOWN OF ADDIS, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

December 31, 2024

Fund balances - total governmental funds	\$ 6,577,367
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 & subscription-based arrangement assets	36,141,094
Less accumulated depreciation and amortization	(13,157,827)
	<u>22,983,267</u>
Prepaid insurance premiums in governmental activities are not recognized as expenditures for governmental funds	78,814
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	
Pension related changes reported as deferred outflows	377,994
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Subscription-based information technology arrangement	(38,834)
Compensated absences	(11,520)
Pension related changes reported as deferred inflows	-
Net pension liability	(1,744,984)
Litigation payable	(1,500,000)
	<u>(3,295,338)</u>
Net position of governmental activities	<u><u>\$ 26,722,104</u></u>

TOWN OF ADDIS, LOUISIANA

Statement of Revenues, Expenditures and Changes in Fund Balance

Governmental Funds-General Fund

For the Year Ended December 31, 2024

Revenues

Taxes	\$ 227,570
Franchise fees	348,953
Intergovernmental	6,842,404
Charges for services	6,745
Fines and forfeitures	269,729
Investment earnings	44,324
Miscellaneous	37,122
Total revenues	<u>7,776,847</u>

Expenditures

Current	
General government	4,042,449
Public safety	2,177,964
Roads and drainage	866,343
Debt services	
Debt service - principal payments	23,789
Debt service - interest expense	1,975
Capital outlay	<u>2,401,352</u>
Total expenditures	<u>9,513,872</u>

Net Change in Fund Balance (1,737,025)

Fund Balance

Beginning	<u>8,314,392</u>
Ending	<u>\$ 6,577,367</u>

TOWN OF ADDIS, LOUISIANA

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, Changes in Fund Balances to the Statement of Activities For the Year Ended December 31, 2024

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

Net change in fund balances - total governmental funds	\$ (1,737,025)
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Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Capital outlay	2,401,352
Depreciation expense	(1,550,916)
Amortization expense	(24,496)
	<u>825,940</u>

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal of long-term
debt consumes the current financial resources of governmental funds.
Neither transaction, however, has any effect on fund balances.

Principal payments	23,789
Other financing sources - SBITA proceeds	-
	<u>23,789</u>

Expenditures that do not use current financial resources are not
reported as expenses in the Statement of Revenues, Expenditures
and Changes in Fund Balance

Current prepaid insurance	78,814
Prior year prepaid insurance	(51,485)
	<u>27,329</u>

Some 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.

Change in compensated absences	(2,108)
Net increase/(decrease) in total pension liability	(81,786)
Litigation expenses	(1,500,000)
	<u>(1,583,894)</u>

Change in net position of governmental activities	<u><u>\$ (2,443,861)</u></u>
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TOWN OF ADDIS, LOUISIANA

Statement of Net Position, Proprietary Fund**December 31, 2024**

	Business-type Activities Enterprise Fund Sewer Fund
<hr/>	
Assets	
Current Assets	
Cash and cash equivalents	\$ 1,940,341
Accounts receivable, net	94,902
Due from other fund	2,075
Prepaid expenses and other current assets	23,352
Inventory-tanks	75,024
Total current assets	<u>2,135,694</u>
Non-current Assets	
Restricted:	
Cash and cash equivalents	446,495
Investments	2,563,419
Total restricted assets	<u>3,009,914</u>
Capital assets:	
Non-depreciable	692,435
Depreciable, net of accumulated depreciation	10,536,815
Total capital assets (net of accumulated depreciation)	<u>11,229,250</u>
Total non-current assets	<u>14,239,164</u>
Total assets	<u>16,374,858</u>

TOWN OF ADDIS, LOUISIANA

Statement of Net Position, Proprietary Fund, Continued**December 31, 2024**

	Business-type Activities Enterprise Fund Sewer System
Liabilities	
Current Liabilities (payable from current assets):	
Accounts payable	563,449
Due to other funds	16,146
Current liabilities payable from restricted assets:	
Accrued interest payable	4,275
Sewer revenue bonds payable	230,000
Unearned revenues	1,738,495
Total current liabilities	2,552,365
Non-current Liabilities:	
Sewer revenue bonds payable	2,485,000
Compensated absences	-
Total non-current liabilities	2,485,000
Total liabilities	5,037,365
Net Position	
Invested in capital assets, net of related debt	8,514,250
Restricted for debt service	212,220
Unrestricted	2,611,023
Total net position	\$ 11,337,493

TOWN OF ADDIS, LOUISIANA

**Statement of Revenues, Expenses and
Changes in Fund Net Position****Proprietary Fund****For the Year Ended December 31, 2024**

	Business-type Activities Enterprise Fund Sewer System
Operating Revenues	
Charges for services	\$ 1,290,177
Installations	5,202
Impact Fees	51,250
Other operating income	285
Total Operating Revenues	1,346,914
Operating Expenses	
Personal services	391,107
Utilities	122,248
Operating expenses	417,511
Contract services	63,963
Depreciation	442,011
Total Operating Expenses	1,436,840
Operating Income (Loss)	(89,926)
Nonoperating Revenues (Expenses)	
Administrative fees	(14,715)
Federal grants	566,104
Interest income	129,124
Interest expense	(12,885)
Recovery of bad debts	-
Total Nonoperating Revenues (Expenses)	667,628
Income (Loss) before contributions and transfers	577,702
Contributions and Transfers In (Out)	
Contributions of capital assets	-
Total Contributions and Transfers In (Out)	-
Change in net position	577,702
Net position	
Beginning	10,759,791
Ending	\$ 11,337,493

*The Accompanying Notes are an
integral part of this statement*

TOWN OF ADDIS, LOUISIANA

Statement of Cash Flows

Proprietary Fund

For the Year Ended December 31, 2024

	Business-type Activities Enterprise Fund Sewer System
Cash Flows From Operating Activities	
Receipts from customers	\$ 1,353,482
Payments to suppliers	(124,656)
Payments to employees for services and benefits	(392,107)
Other operating cash receipts	285
Net Cash Provided By (Used In) Operating Activities	837,004
Cash Flows From Noncapital Financing Activities	
Transfers from other funds	1,871
Net Cash Provided By (Used in) Noncapital Financing Activities	1,871
Cash Flows From Capital and Related Financing Activities	
Proceeds from bonds issued	-
Purchase of capital assets	(833,818)
Interest and administrative fees paid	(27,959)
Principal paid on revenue bonds	(228,000)
Net Cash Provided By (Used In) Capital and Related Financing Activities	(1,089,777)
Cash Flows From Investing Activities	
Investment purchases	-
Net Cash Provided By (Used In) Investing Activities	-
Increase (Decrease) in Cash and Cash Equivalents	(250,902)
Cash and Cash Equivalents	
Beginning	2,637,738
Ending	\$ 2,386,836
Cash and Cash Equivalents	\$ 1,940,341
Restricted Assets	446,495
Totals	\$ 2,386,836
Noncash Investing, Capital, and Financing Activities	
Net assets contributed to the system	\$ -

TOWN OF ADDIS, LOUISIANA

Statement of Cash Flows

Proprietary Fund, Continued

For the Year Ended December 31, 2024

	Business-type Activities Enterprise Fund Sewer System
Cash Flows From Operating Activities	
Operating income	\$ (89,926)
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	442,011
(Increase) decrease in assets	
Accounts receivable	6,853
Unbilled accounts receivable	-
Prepaid expenses	(5,074)
Inventory	(11,252)
Increase (decrease) in liabilities	
Accounts payable	495,392
Compensated absences	(1,000)
Unearned income	-
Net Cash Provided By (Used In) Operating Activities	\$ 837,004

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements

December 31, 2024

1. Introduction

The Town of Addis was incorporated September 1915, under the provisions of Title 33, Chapter 2. Part I, of the Louisiana Revised Statutes (Lawrason Act - Act No. 36 of 1898). The "Town" operates under a Mayor - Council form of government and provides the following services as authorized by its charter: public safety (police), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning and general administrative services.

The Town's 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 accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999. The more significant accounting policies established in GAAP and used by the Town are discussed below.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity. The financial reporting entity consists of (a) the primary government (Town of Addis) (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. GASB Statement No. 14, The Financial Reporting Entity, as amended by GASB Statement 61, *The Financial Reporting Entity: Omnibus* established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement the basic criteria are as follows:

- Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
- Whether the Town governing authority appoints a majority of board members of the potential component unit (or serves as board members of potential component unit as required by law) and whether operational responsibility for the potential component unit rests with the management of the primary government.
- Fiscal interdependency between the Town and potential component unit.
- Imposition of will by the Town on the potential component unit.
- Financial benefit/burden relationship between the Town and the potential component unit.

Based on the above criteria, the Town has no component units.

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

BASIC FINANCIAL STATEMENTS -- GOVERNMENT-WIDE STATEMENTS

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Town's police, public works, and general administrative services are classified as governmental activities. The Town's sewer services are classified as business-type activities.

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, (b) and 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 Town's net position is reported in three parts: net investment in capital assets; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities. The functions are also supported by general government revenues (sales and use tax, franchise tax, and certain governmental revenues, etc). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants.

Program revenues must be directly associated with the function (public safety, public works and general administration) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants column reports capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (sales and use tax, franchise tax, intergovernmental revenue, interest income, etc.).

This government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

BASIC FINANCIAL STATEMENTS -- FUND FINANCIAL STATEMENTS

The financial transactions of the Town are reported in individual funds in the financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves. Fund equity, revenues and expenditures/expenses.

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

The emphasis in fund financial statements is on the major funds for either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASB 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Town had no non-major funds.

Governmental Funds. The focus of the governmental fund's measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses and balances of current financial resources) rather than upon net income. Expendable assets are assigned to funds according to the purpose for which they may be used. Current liabilities are assigned to funds from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period operations of the Town. The Town reports these major governmental funds and fund types:

General Fund. The General Fund is the main operating fund of the Town. It is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are net paid through other funds are paid from the General Fund.

Proprietary Fund Types. The focus of proprietary fund 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 Town reports the following proprietary fund types:

Enterprise Fund. Used to account for operations for which a fee is charged to external users for sewer services. The activities reported in this fund are reported as business-type activities in the government-wide financial statements.

Basis of Accounting. Basis of Accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It related to the timing of the measurements made regardless of the measurement focus applied.

Accrual. Both the governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Non-exchange revenues, including intergovernmental revenues and grants are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

Modified Accrual. The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual: i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

Cash and cash equivalents. The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments. State law and the Town's investment policy allow the Town to invest in collateralized certificates of deposit, government backed securities, state sponsored investment pool, and mutual funds consisting solely of government backed securities. Investments are reported at their fair value.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The three levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that the Town has the ability to access.

Level 2 – Inputs including

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs that are unobservable and significant to fair value measurement.

Receivables. All receivables are reported net of estimated uncollectible amounts.

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

Inventories and Prepaid Items. All inventories are stated at the first-in, first-out method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and business-type fund financial statements.

Expenditures by the governmental funds for insurances or similar services that extend over more than one reporting period are not required to be allocated, but may be accounted for as expenditures in the period paid and is known as the non-allocation method. The Governmental Fund - General Fund - fund financial statements utilizes the non-allocation method.

Capital Assets. Capital assets, which include property, plant equipment, and infrastructure assets (e.g. roads, bridges, sidewalk and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received.

Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. The Town maintains a threshold level of \$2,000 or more for capitalizing capital assets and \$50,000 for contributed assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. During the current fiscal year, no interest was incurred in the capitalized projects.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	40 years
Building improvements	20-25 years
Improvements other than buildings	20 years
Sewer system	40-43 years
Mowers, tractors and attachments	10-15 years
Light trucks & equipment	5 years

Right-to-Use Subscription Assets. The Town has recorded right-to-use assets as a result of implementing GASB Statement No. 96. The right-to-use subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus and subscription payments made prior to the subscription term plus capitalizable implementation costs, less any incentives received from the vendor at or before the commencement of the subscription term. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

Subscription Liabilities. The Town has noncancelable subscriptions for police equipment and road & drainage equipment. The Town recognizes a subscription liability and an intangible right-to-use asset in the government-wide financial statements. Subscription liabilities are reported with long-term debt and current portion of debt on the Statement of Net Position.

The Town recognizes the subscription liability at the commencement of the subscription term when the assets are placed in service. The subscription liability will initially be measured at the present value of subscription payments expected to be made during the subscription term. The subscription liability is reduced by the principal portion of the subscription payments made.

Key estimates and judgements related to subscriptions include how the Town determines 1) the discount rate it uses to discount the expected payments to present value. 2) subscription term, and 3) subscription payments. The Town uses the risk free rate from the U.S. Department of Treasury website as the discount rate for subscription. The subscription includes the non-cancellable period of the subscription.

Unearned Revenues. Unearned revenues arise when resources are received before the Town has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the Town has a legal claim to resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized.

Compensated Absences. Employees of the Town earn vacation or sick leave at varying rates based upon length of service. Vacation leave of 40 hours is allowed to be carried over into the next year. Total accrued vacation leave as of December 31, 2024 totaled \$11,520. Unused personal/sick leave is not carried into the subsequent year, any unused personal/sick leave not taken by December 31 is lost. Any unused personal/sick leave is immaterial; therefore, no accrual has been made.

Long-Term Debt. Long-Term Debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements.

Long-term obligations for governmental funds are not reported as a liability in the fund financial statements.

The reporting of long-term debt in the proprietary statements is the same in the fund statements as it is in the government-wide statements.

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

Fund Equity. Government-wide and proprietary fund net position are divided into three components:

- Net investment in capital assets - consist of historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets, plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted net position - consist of assets that are restricted by the Town's creditors, by state enabling legislation, by grantors, and by other contributors, less related liabilities and deferred inflows of resources.
- Unrestricted - all other net position are reported in this category.

Fund Financial Statements. In the governmental fund financial statements, fund balances are classified as follows:

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

Use of Restricted Resources .When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Town's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Town's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications-committed and then assigned fund balances before using unassigned fund balances.

Interfund Activity. Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces it cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

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

Defining Operating Revenues and Expenses. The Town's proprietary fund distinguishes between operating and non-operating revenues and expenses. Operating revenues and expenses of the Town's sewer fund consists of charges for services (including system development charges) and the costs of providing those services, including depreciation. All other revenues and expenses are reported as non-operating.

Deferred Outflows of Resources and Deferred Inflows of Resources and Net Position. In December 2010, the GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred inflows of Resources, and Net Position*. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures.

In addition to assets, the statement of financial position or balance sheet 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position or balance sheet 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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time.

Current Year Adoption of New Accounting Standards. The GASB has issued Statement No. 100, "Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62". The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023. The Statement did not have a material effect on the Town's financial statements upon implementation.

The GASB has issued Statement No. 101, "Compensated Absences". The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023. The Statement did not have a material effect on the Town's financial statements upon implementation.

Subsequent Events. In preparing these financial statements, the Town has evaluated events and transactions for potential recognition or disclosure through June 26, 2025, the date the financial statements were available to be issued.

2. Stewardship, Compliance and Accountability

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

- A proposed budget is prepared and submitted by the Mayor to the Board of Councilmen prior to the beginning of each fiscal year. The proposed budget is published in the official journal and made available for public inspection. A public hearing is called to obtain taxpayer comments.
- The budget is adopted through passage of an ordinance prior to commencement of the fiscal year for which the budget is being adopted.
- Budgetary amendments involving the transfer of funds from one department program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require approval from the Board of Councilmen.
- Budgets for the General is adopted on a GAAP basis therefore these funds utilize the same basis of accounting for both budgetary purposes and actual results. The Budgetary Comparison Schedule presents a comparison of budgetary data and actual results of operations for which budgets are legally adopted.
- All budgetary appropriations lapse at the end of each fiscal year.
- The level of budgetary control is total appropriations.

3. Deposits and Investments

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or other federally insured investments, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

Bank Deposits. The Town's policy as well as State law requires deposits, (cash and certificates of deposits) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

includes federal deposit insurance and securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security deposits. Obligations furnished as security must be held by the political subdivision or an unaffiliated bank, or with a trust company for the accounts of the political subdivision. The current year end balances of deposits are as follows:

Deposits do not include \$816 on cash on hand.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town has a policy for custodial credit risk which reflects state law. As of December 31, 2024, the Town had \$11,370,506 in deposits (collected bank balances). These deposits were secured from risk by \$512,768 in federal deposit insurance and \$11,275,478 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). \$10,857,738 of uninsured collected bank balances were secured from risk by pledged securities and none were unsecured and uninsured.

Financial statement classification	Demand Deposits	Certificates of Deposit	Total
Cash and cash equivalents	\$ 10,596,075	\$ -	\$ 10,596,075
Investments	-	92,768	92,768
Restricted Cash and cash equivalents	661,474	-	661,474
Balance per Town books	\$ 11,257,549	\$ 92,768	\$ 11,350,317
Institutional balances	\$ 11,277,738	\$ 92,768	\$ 11,370,506

4. Investments

Investments are stated at fair value.

Custodial Credit Risk – Investments. Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction the Town will not be able to recover the value of the investment. Investments are exposed to custodial risk if the securities are (a) uninsured and unregistered and held by the counterparty or (b) uninsured, unregistered and held by the counterparty's trust department or agent but not in the name of the Town. The following chart presents the investment position of the Town at December 31, 2024. The various types of investments are listed and presented by whether they are exposed to custodial credit risk.

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

Interest Rate Risk: The Town has no formal policy regarding interest rate risk.

	Change in Investments	
	Amortized Cost	Fair Value
Balance, December 31, 2023	\$ 136,668	\$ 136,668
Add:		
Investment maturities	(44,453)	(44,453)
Investment purchase	553	553
Balance, December 31, 2024	\$ 92,768	\$ 92,768

The following table sets forth by level within fair value hierarchy the Town's assets at estimated fair value as of December 31, 2024:

Type of Investment	Interest Rate	Bank	Maturity Date	Category			Carrying Amount	Fair Value
				1	2	3		
CoD	5.00%	Cottonport Bank	4/19/2025	\$ 12,768	\$ -	\$ -	\$ 12,768	\$ 12,768
CoD	3.25%	Business First Bank	1/30/2025	40,000	-	-	40,000	40,000
CoD	3.25%	Business First Bank	3/2/2025	10,000	-	-	10,000	10,000
CoD	2.00%	Business First Bank	11/16/2025	30,000	-	-	30,000	30,000
Total				92,768	\$ -	\$ -		
Investments Not Subject to Categorization:								
External Investment Pool (LAMP)							3,083,291	3,083,291
Total Investments							\$ 3,176,059	\$ 3,176,059

In accordance with GASB Codification Section 150.128, the investments in Louisiana Asset Management Pool (LAMP) is not categorized in the three risk categories provided by the GASB Codification Section 150.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form.

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

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

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

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

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 68 days as of December 31, 2024.
- Foreign currency risk: Not applicable.

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

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

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

5. Receivables

The following is a summary of receivables for December 31, 2024:

	General Fund	Sewer Fund	Total
Sales tax	\$ 419,724	\$ -	\$ 419,724
Franchise tax	112,842	-	112,842
Accounts receivable	-	-	-
Accrued interest	-	-	-
Other	3,164	104,166	107,330
Total Receivables	535,730	104,166	639,896
Allowance for Uncollectibles	-	(9,264)	(9,264)
Receivables, Net	\$ 535,730	\$ 94,902	\$ 630,632

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

6. Capital Asset

	Beginning Balance 2023	Increases	Decreases	Transfers	Ending Balance 2024
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 727,136			\$ -	\$ 727,136
Construction in progress	170,377	33,790	-	(123,529)	80,638
Total capital assets, not being depreciated	\$ 897,513	\$ 33,790	\$ -	\$ (123,529)	\$ 807,774
Capital assets, being depreciated:					
Improvements other than buildings	28,816,506	2,055,517	-	123,529	30,995,552
Buildings and structures	947,517	-	-	-	947,517
Historical railroad park	833,435	-	-	-	833,435
Museum	196,669	-	-	-	196,669
Furniture and fixtures	32,582	-	-	-	32,582
Vehicles-Town	71,891	-	12,799	-	59,092
Machinery & equipment	967,760	59,764	-	-	1,027,524
Website	12,195	-	-	-	12,195
Works of art	9,343	-	-	-	9,343
Police department equipment	123,297	53,780	-	-	177,077
Police department vehicles	851,785	198,501	116,416	-	933,870
Total capital assets, being depreciated	32,862,980	2,367,562	129,215	123,529	35,224,856
Less accumulated depreciation for:					
Improvements other than buildings	8,961,327	1,253,306		-	10,214,633
Buildings and structures	612,930	22,244		-	635,174
Historical railroad park	504,721	41,302		-	546,023
Museum	119,066	4,853		-	123,919
Furniture and fixtures	32,582	-		-	32,582
Vehicles-Town	62,989	7,069	12,799	-	57,259
Machinery & equipment	663,293	121,665		-	784,958
Website	12,195	-		-	12,195
Works of art	9,343	-		-	9,343
Police department equipment	82,754	14,785		-	97,539
Police department vehicles	604,974	85,692	116,416	-	574,250
Total accumulated depreciation	11,666,174	1,550,916	129,215	-	13,087,875
Total capital assets, being depreciated, net	21,196,806	816,646	-	123,529	22,136,981
SBITA					
SBITA	108,463	-	-		108,463
Less: accumulated amortization for SBITA	45,455	24,496	-		69,951
Total SBITA, being amortized, net	63,008	(24,496)	-	-	38,512
Governmental activities capital assets, net	\$ 22,157,327	\$ 825,940	\$ -	\$ -	\$ 22,983,267

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

Depreciation expense was charged to government functions as follows:

General Government	\$ 1,151,040
Public Safety - Police Department	107,206
Public Works	<u>292,670</u>
Total	<u>\$ 1,550,916</u>

The Town implemented Governmental Accounting Standards Board Statement No. 96, Subscription-Based Information Technology Arrangements, in fiscal year 2023. The Town has two software arrangements that require recognition under GASBS No. 96. The Town now recognizes a subscription-based information technology arrangements (SBITA) liability and an intangible right-to-use asset for the road & infrastructure management system and license plate readers for cameras software.

The road & infrastructure management system software is a four-year agreement, initiated in fiscal year 2021 with annual payments of \$10,764. There is also a renewal period for an additional year that the Town is likely to exercise. The Town has used the risk-free rate of 0.90% to determine the present value of the intangible right-to-use asset and SBITA liability. There is no option to purchase the software. The license plate readers for cameras software is a two-year agreement, initiated in fiscal year 2023 with annual payments of \$15,000 and a one-time setup cost of \$2,100 for installation during 2023. There is also a renewal period for an additional two years that the Town is likely to exercise. The Town has used the risk-free rate of 4.31% to determine the present value of the intangible right-to-use asset and SBITA liability. There is no option to purchase the software.

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

The following is a summary of the changes in property, plant and equipment of the Enterprise Fund-Sewer System for the year ended December 31, 2024:

	Beginning Balance December 31,		Increases		Decreases		Transfers		Ending Balance December 31,
	2023								2024
Business-Type Activities:									
Capital assets, not being depreciated:									
Land	\$ 16,755	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,755
Land rights	61,641	-	-	-	-	-	-	-	61,641
Construction in Progress	371,371	578,741	-	-	-	(336,073)	-	-	614,039
	449,767	578,741	-	-	-	(336,073)	-	-	692,435
Capital assets, being depreciated:									
Buildings	86,169	-	-	-	-	-	-	-	86,169
Sewer facility	15,261,616	190,758	-	-	-	336,073	-	-	15,788,447
Machinery & Equipment	720,454	6,163	-	-	-	-	-	-	726,617
Vehicles	106,564	58,156	-	-	-	-	-	-	164,720
Total capital assets, being depreciated	16,174,803	255,077	-	-	-	336,073	-	-	16,765,953
Less accumulated depreciation for:									
Buildings	30,277	2,207	-	-	-	-	-	-	32,484
Sewer facility	5,203,372	371,308	-	-	-	-	-	-	5,574,680
Machinery & Equipment	485,038	46,021	-	-	-	-	-	-	531,059
Vehicles	68,440	22,475	-	-	-	-	-	-	90,915
Total accumulated depreciation	5,787,127	442,011	-	-	-	-	-	-	6,229,138
Total capital assets, being depreciated, net	10,387,676	(186,934)	-	-	-	336,073	-	-	10,536,815
Business-type activities capital assets, net	\$ 10,837,443	\$ 391,807	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,229,250

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

7. Long-Term Liabilities – Governmental Activities

The following is a summary of the Town's long-term debt transactions for the year ended December 31, 2024:

Type of Debt	Balance at 12/31/2023	Additions	Reductions	Balance at 12/31/2024	Due in More Than One Year	Amount due within One Year
<i>Governmental Activities:</i>						
Compensated absences	\$ 9,413	\$ 2,107 *	\$ -	\$ 11,520	\$ -	\$ 11,520
SBITA	62,623	-	23,789	38,834	14,380	24,454
Net pension liability	1,970,536	-	225,552	1,744,984	1,744,984	-
Total governmental long-term debt	\$ 2,042,572	\$ 2,107	\$ 249,341	\$ 1,795,338	\$ 1,759,364	\$ 35,974

* The change in compensated absences is presented as a net change.

8. Subscription-Based Information Technology Arrangement (SBITA) Liability

Due to the implementation of GASB Statement No. 96, the intangible right-to-use software arrangements for the road & infrastructure management system and license plate readers for cameras met the criteria of a SBITA; thus, requiring it to be amortized over the lease terms in addition to the renewal term as the Town assesses it is likely to extend the software.

A summary of the principal and interest amounts for the remaining arrangements include the following principal and interest payments:

Year Ending December 31,	Principal	Interest
2025	\$ 24,454	\$ 1,310
2026	14,380	620
	<u>\$ 38,834</u>	<u>\$ 1,930</u>

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

9. Long-Term Liabilities – Business-Type Activities

On November 10, 2010, the Town issued Sewer Revenue Bonds, Series 2010 in the amount of \$1,569,060 for the purpose of paying the costs of constructing and acquiring improvements and extensions to the Town's sewer system. The bonds were purchased by the Louisiana Department of Environmental Quality financed by the Clean Water State Revolving Fund. The Wastewater Treatment Facility phase of the project was completed during 2011 and the Pump Station and Force Main phase was completed in 2012. During 2017, the Town was approved for up to \$3,000,000 for improvements to the sewer system. Purchase price of the bonds are distributed to the Town in installments as construction progresses, with the YMCA Force Main phase completed in 2021. The total outstanding on the two loans was \$2,715,000 as of December 31, 2024.

	Balance at December 31, 2023	Additions or Bonds Issued	Bonds Redeemed and Other Reductions	Balance at December 31, 2024	Due in More Than One Year	Amount due within One Year
Sewer Revenue Bonds - Series 2010	\$ 584,000	\$ -	\$ 81,000	\$ 503,000	\$ 421,000	\$ 82,000
Sewer Revenue Bonds - Series 2017	2,359,000	-	147,000	2,212,000	2,064,000	148,000
Total long-term debt	\$ 2,943,000	\$ -	\$ 228,000	\$ 2,715,000	\$ 2,485,000	\$ 230,000

The annual maturities for the bonds for the years subsequent to December 31, 2024 are as follows:

Year Ending December 31,	Principal	Interest
2025	\$ 230,000	\$ 25,793
2026	233,000	23,608
2027	234,000	21,394
2028	237,000	19,171
2029-2033	957,000	64,125
2034-2038	824,000	23,627
	<u>\$ 2,715,000</u>	<u>\$ 177,718</u>

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

10. Restricted Assets and Flow of Funds

Restricted cash held in the general fund of \$214,979 represents \$11,943 in bond funds that is refundable to the payor once court proceeding have been concluded and properly authorized for disbursement, and \$203,036 in funds held to be applied for improvements to storm drain system for the portion of road transferred from DOTD.

The bond ordinance for the Sewer Revenue Bonds, Series 2010 and 2017 requires the creation of the below accounts. All of income and revenues derived from the operation of the System shall be deposited daily as the same may be collected in the “Sewer Revenue Fund” (the “Revenue Fund”). Funds in the Revenue Fund shall be expended in the following order of priority and for the following express purposes:

- a) All reasonable and necessary costs and expenses of administration, operation and maintenance of the System as are not provided for from other lawfully available sources shall first be paid from the Revenue Fund.
- b) The Issuer shall maintain a separately identifiable fund designated as the “Sewer Revenue Bond and Interest Sinking Fund” (the “Debt Service Fund”), by transferring from funds in the Revenue Fund, after making the payments required by (a) above, to the Debt Service Fund monthly on or before the 20th day of each month of each year, a sum equal to the principal, interest and Administrative Fee, accruing on the Bonds and the Outstanding Parity Bonds for such month, together with such additional proportionate monthly sum as may be required to pay said principal, interest and Administrative Fee, if any, as the same become due. The Issuer shall transfer from said Debt Service Fund to the paying agent bank or banks for all bonds payable from the Debt Service Fund, or directly to the Owners, on or before each Interest Payment Date, funds fully sufficient to pay promptly the principal, interest and Administrative Fee, if any, falling due on such date.
- c) The Issuer shall maintain a separately identifiable fund or account designated as the “Sewer Revenue Bond Reserve Fund” (the “Reserve Fund”) the money in the Reserve Fund to be retained solely for the purpose of paying the principal of and interest on Bonds and the Outstanding Parity Bonds and payable from the Debt Service Fund as to which there would otherwise be default, be transferring from the Revenue Fund (after making all required payments from said fund as hereinabove described), on or before the 20th day of each month, a sum at least equal to 25% of the amount to be paid into the Debt Service Fund for such month, the payments into said Reserve Fund to continue until such time there has been accumulated therein a sum equal to the Reserve Fund Requirement. Upon the issuance of additional Parity Bonds, there shall be transferred from the proceeds of such additional bonds and/or from the Revenue Fund into the Reserve Fund, monthly or annually, such amounts (as may be designated in the ordinance authorizing the issuance of such additional Parity Bonds) as will increase the total amount on deposit in the Reserve Fund within a

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

- period not exceeding five (5) years to a sum equal to the Reserve Fund Requirement for all outstanding bonds payable from the Debt Service Fund, including such additional Parity Bonds.
- d) The Issuer shall maintain a separately identifiable fund or account designated “Sewer Depreciation Additions and Contingency Fund” (the “Contingency Fund”) to care for extensions, additions, improvements, renewals and replacements necessary to properly operate the System, by transferring from funds in the Revenue Fund after making the payments required (a), (b) and (c) above to the Contingency Fund monthly on or before the 20th day of each month of each year, a sum equal to five percent (5%) of the Net Revenues for the preceding month, provided that such sum is available after provision is made for the payments required under paragraphs (a), (b) and (c) above. Such payments into the Contingency Fund shall continue until such time as there has been accumulated in the Contingency Fund the sum of One Hundred Fifty Thousand Dollars (\$150,000), whereupon such payments may cease and need to be resumed thereafter only if the total amount of money on deposit in said fund is reduced below said sum of One Hundred Fifty Thousand Dollars (\$150,000), in which event such payments shall be resumed and continue until said maximum amount is again accumulated. In addition to caring for extensions, additions, improvements, renewals and replacements necessary to properly operate the System, the money in the Contingency Fund may also be used to pay the principal of and the interest on the Bonds, including and Parity Bonds, for the payment of which there is not sufficiency money in the Debt Service Fund and the Reserve Fund described in paragraphs (b) and (c) above, but the money in said Contingency Fund shall never be used for the making of use of said money will leave in said Contingency Fund for the making of emergency repairs or replacements less than the sum of Ten Thousand Dollars (\$10,000).
- e) Any money remaining in the Revenue Fund after making the above-required payments may be used by the Issuer for the purpose of calling and/or purchasing and paying any bonds payable from the revenues of the System, or for such other lawful corporate purposes as the Governing Authority may determine, whether such purposes are or are not in relation to the System.

Account balances as of December 31, 2024 are as follows:

Account Name	Balance
Sewer Bond & Interest Sinking Fund	\$ 171,290
Sewer Revenue Reserve Fund	124,550
Sewer Depreciation, Additions & Contingency Fund	150,655
Total	<u>\$ 446,495</u>

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

11. Franchise Agreements

Cable Television

A non-exclusive cable franchise was granted to Cox Communications, Inc., on June 20, 2005 for a period of 25 years. The annual franchise fee is 5% of the company's gross receipts.

On October 1, 2008, the Town passed ordinance No. 2008-9, setting franchise fees for all cable or video services at 5% of gross receipts from operations within the Town's municipal limits.

Electric

On October 1, 1972, the Town entered into a franchise with Gulf State Electric Utilities Company, now Entergy, to supply electricity to the Town for a period of 60 years. In consideration, the Town shall receive a fee of 4.5% of the gross receipts from sales of electricity to customers within the corporate limits of Addis from October 1, 1972 to September 30, 1982, then from October 1, 1982 to September 30, 2032, a fee of 5%.

12. On-Behalf Payments for Fringe Benefits and Salaries

The Town's police chief and police officers received about \$48,700 in police supplemental pay from the State of Louisiana, Department of Public Safety and Corrections. The Town recognizes this supplemental pay received by the employees as revenues and expenditures of the Town. The revenues are reported in the General Fund and the expenditures are included in Public Safety expenditures.

13. Interfund Balances

The Town reports interfund balances between its funds. The totals of all balances agree with the sum of interfund balances present in the fund statements.

	Due From		
	General Fund	Sewer Fund	Total
Due To			
General Fund	\$ -	\$ 14,071	\$ 14,071
Sewer Fund	-	-	-
Total	\$ -	\$ 14,071	\$ 14,071

The balances primarily result from the time lag between the dates the 1) transactions are recorded in the accounting system and 2) payments between funds are made.

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

14. Pension Plan

The Town's police employees are members of the Municipal Police Employees Retirement System of Louisiana. The system is a cost sharing, multiple-employer defined benefit pension plan administered by separate board of trustees. Pertinent information relative to the plan follows:

Plan Description. The Municipal Police Employees' Retirement System (MPERS) is a cost-sharing multiple-employer defined benefit plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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

1. Retirement

Membership Prior to January 1, 2013

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

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

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

percent of the member's average final compensation or \$200.00 per month, whichever is greater.

Membership Commencing January 1, 2013

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

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

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

2. Deferred Retirement Option Plan

A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is thirty six months or less. If employment is terminated after the three-year period the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account.

If the member elects a money market investment return, the funds are transferred to a government money market account.

3. Initial Benefit Option Plan

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

4. Cost of Living Adjustments

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

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

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

Contributions

Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay.

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

For the year ended June 30, 2024, total contributions due for employers and employees were 43.925%. The employer and employee contribution rates for all members hired prior to January 1, 2013 and Hazardous Duty members hired after January 1, 2013 were 33.925% and 10%, respectively. The employer and employee contribution rates for all Non-Hazardous Duty members hired after January 1, 2013 were 33.925% and 8%, respectively. The employer and employee contribution rates for all members whose earnable compensation is less than or equal to the poverty guidelines issued by the United States Department of Health and Human Services were 36.425% and 7.5%, respectively.

Non-employer contributions

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue during the year ended December 31, 2024 and excluded in pension expense.

The Town's contractually required composite contribution rate for the year ended December 31, 2024 was 35.6% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Town were \$247,268 for the year ended December 31, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2024, the Employer reported a liability of \$1,744,984 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Town's proportion of the Net Pension Liability was based on a projection of the Town's projected contribution effort to the plan for the next fiscal year as compared to the total of all employers' projected contribution effort to the plan for the next fiscal year, actuarially determined. At June 30, 2024, the Town's proportion was .1926%, which was an increase of .0061% from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the Town recognized pension expense of \$383,704 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$82,342.

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

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 41,692	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	48,509	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	159,041	-
Town contributions subsequent to the measurement date	128,702	-
Total	\$ 377,944	\$ -

\$128,702 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	MPERS
2025	\$ 147,318
2026	325,122
2027	(32,288)
2028	(30,578)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2024:

Valuation Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	4 years
Investment Rate of Return	6.750%, net of investment expense

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

Inflation Rate 2.5% per annum
**Salary Increases, including
Inflation and merit**

Years of Service	Salary Growth Rate
1-2	12.30%
Above 2	4.70%

Mortality

For annuitants and beneficiaries, the Pub-2010 Public Retirement Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.

For disabled lives, the Pub-2010 Public Retirement Plans Morality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.

For employees, the Pub-2010 Public Retirement Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.

Cost-of-Living Adjustments

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

Mortality Rate

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2014 through June 30, 2019 and review of similar law enforcement mortality. A change was made full generational mortality which combines the use of a base mortality table with appropriate mortality improvement scales. In

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combined with a standard table to produce current levels of mortality.

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

Asset Class	June 30, 2024	
	Target Allocation	Long-Term
Equity	52.00%	3.14%
Fixed Income	34.00%	1.07%
Alternatives	14.00%	1.03%
Totals	100.00%	5.24%
Inflation		2.62%
Expected Arithmetic Nominal Return		7.86%

Discount Rate

The discount rate used to measure the total pension liability was 6.750%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 6.750%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (5.750%) or one percentage-point higher (7.750%) than the current rate:

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Town's proportionate share of the net pension liability	\$ 2,592,131	\$ 1,744,984	\$ 1,037,781

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued MPERS December 31, 2024 Comprehensive Annual Financial Report at www.Lampers.org.

15. Deferred Compensation Plan

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all permanent Town employees, permits them to defer until future years up to 100% of annual compensation not to exceed \$22,500 in 2024, adjusted thereafter for cost of living adjustments in \$500 annual increments up to age 50; participants age 50 and over are eligible for catch-up contributions provided the catch-up contributions do not exceed the catch-up limit for the taxable year. The Town contributes on behalf of its employees based upon employee contributions with a maximum match of 20.1 %. The Town also contributes an additional annual contribution for participating full time employees of \$1,500, except for police officers. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. In accordance with GASB No. 32 the Town is no longer required to report the plan in its financial statements.

14. Intergovernmental Agreements

West Baton Rouge Parish Natural Gas and Water Systems –

A service agreement is in effect between West Baton Rouge Parish and the Town in which the Parish agrees to bill and collect sewer fees from water customers served by the Town sewer system. The sewer rates are based on water usage, and customers may have their water service discontinued for non-payment of sewer fees. The amount due from the Parish for customer sewer fees billed through December 31, 2024 was \$94,902.

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

15. Sewer User Fees

Charges for sewer use are as follows:

Residential - \$24.00 plus \$3.25 per 1,000 gallons after 4,000.

Non-residential - \$38.00 plus \$3.00 per 1,000 gallons after 4,000.

16. Economic Dependence

The Town of Addis received 73.5%, of its total revenue from parish and district sales tax.

17. Risk Management

The Town of Addis is exposed to various risks of loss for which the Town carries commercial insurance. There has been an increase in insurance coverage during the year.

18. Contingencies and Commitments

Litigation – The Town is party to numerous legal proceedings. As of year-end, the Town was involved in two legal claims that were settled subsequent to year-end. Because the settlements were finalized prior to the issuance of these financial statements and the amounts of the settlements are both probable and could be estimated, the Town has accrued a liability in the accompanying financial statements totaling \$4,200,000. While the Town maintained insurance coverage, the settlements fell outside coverage, requiring the Town to self-pay the settlement amounts. One claim has been settled and paid for \$950,000 on April 23, 2025, with the other claim having been settled and \$1,750,000 paid by the Town on May 28, 2025, with an additional \$750,000 due on May 28, 2026, and \$750,000 due May 28, 2027. These amounts are recorded in accrued liabilities in the financial statements.

The Louisiana Department of Environmental Quality purchase of the Taxable Sewer Revenue Bond – Series 2017 was financed by the Drinking Water Revolving Loan Fund, a federal program operated through the United States Environmental Protection Agency (EPA). Amounts received are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the Town. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

19. Cooperative Endeavor Agreement and Restrictions of Fund Balance and Net Position

The Town of Addis entered into a Cooperative Endeavor Agreement with the Department of Transportation and Development (DOTD) on December 13, 2015, for the transfer of ownership of a portion of state route LA 990 known as Main Street when certain conditions and requirements for the road transfer were met, and for DOTD to also provide funds in the amount of \$203,036 in road transfer credit to be transferred to the Town to be applied for improvements to storm drain system for the portion of road transferred. On May 1, 2020, the act of transfer and acceptance was signed. The Town received the funds of \$203,036 which is restricted for the purpose of the improvements to storm drain system. As of December 31, 2024, no amount of these funds has been expended.

20. American Rescue Plan Act

The American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to provide governments with the resources needed to respond to the pandemic. The Town is required to spend these funds in accordance with applicable guidelines, with the funds required to be obligated by December 31, 2024, and expended by December 31, 2026. During the 2022 and 2021 years, the Town received \$1,152,300 each year respectively from the SLFRF that is restricted in its use. As of the year end December 31, 2024, \$566,104 of these funds has been expended. The total payments received under ARPA total \$2,304,600.

21. New Accounting Pronouncements Not Yet Implemented

The statements which might impact the Town of Addis are as follows:

GASB Statement No. 102 – Certain Risk Disclosures: This standard requires governments to disclose information about risks related to concentrations or constraints that make them vulnerable to substantial impacts. It provides users with essential information for decision-making and assessing accountability. Effective for fiscal years beginning after June 15, 2024.

GASB Statement No. 103 – Financial Reporting Model Improvements was released in April 2024, concluding an extensive review of financial reporting models. This statement introduces significant changes to the presentation of financial statements, aiming to enhance the clarity and usefulness of financial reporting. While effective for fiscal years beginning after June 15, 2024, its impact may be more pronounced in fiscal years ending after June 30, 2025.

Management is currently assessing the impact that the implementation of these pronouncements will have on the basic financial statements, if any.

TOWN OF ADDIS, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2024

22. Subsequent Event

As of December 31, 2024, the government was involved in litigation. In the year 2025, the matters were settled for \$4,200,000. Although the settlement occurred subsequent to year-end, the litigation relates to events and circumstances that existed as of December 31, 2024. Accordingly, the current liability in the amount of \$2,700,000 has been recognized in the fund financial statements, and both the current and long-term liability has been recognized in the government-wide financial statements as of December 31, 2024 in accordance with GASB standards.

TOWN OF ADDIS, LOUISIANA

Required Supplementary Schedules

December 31, 2024

TOWN OF ADDIS, LOUISIANA

Required Supplementary Schedules

December 31, 2024

Budgetary Comparison Schedules

Town of Addis, Louisiana
Budgetary Comparison Schedule
General Fund

For the Year Ended December 31, 2024

Notes:

The Original and Final Budgets are prepared using the Modified Accrual Basis of Accounting

TOWN OF ADDIS, LOUISIANA**Schedule of Revenues, Expenditures, & Changes in****Year Ended December 31, 2024****Fund Balance - Budget to Actual****General Fund**

	Original Budget	Revised Budget	Actual Amounts GAAP Basis	Nonbudgeted Items and Adjustments	Actual (Budgetary Basis)	Variance - Favorable (Unfavorable)
Taxes and licenses						
Occupational license	\$ 160,000	\$ 160,000	\$ 217,701	\$ -	\$ 217,701	\$ 57,701
Building permits	10,000	10,000	9,799	-	9,799	(201)
Trailer moving permits	100	100	70	-	70	(30)
Bartender permits	100	100	-	-	-	(100)
Franchise fees						
Entergy	225,000	225,000	304,513	-	304,513	79,513
Cable television	16,000	16,000	36,956	-	36,956	20,956
Telephone	10,000	10,000	4,044	-	4,044	(5,956)
Internet	1,200	1,200	3,440	-	3,440	2,240
Intergovernmental						
Sales tax-parish	2,500,000	2,500,000	3,342,484	-	3,342,484	842,484
Sales tax-district	2,500,000	2,500,000	3,372,216	-	3,372,216	872,216
Alcoholic beverage tax	2,500	2,500	3,032	-	3,032	532
Video poker tax	17,000	17,000	17,197	-	17,197	197
State of Louisiana - Police Supplemental Pay	-	-	48,700	-	48,700	48,700
Pulic Safety Grant	-	-	25,000	-	25,000	25,000
LGAP Grant	25,000	25,000	-	-	-	(25,000)
Charges for services						
Rental-Civic Center	2,500	2,500	6,745	-	6,745	4,245
Highway maintenance	8,500	8,500	33,575	-	33,575	25,075
Planning and zoning	100	100	200	-	200	100
Grass mowing-town	100	100	480	-	480	380
Culvert program	-	-	-	-	-	-
Fines and forfeitures	300,000	300,000	269,729	-	269,729	(30,271)
Investment earnings	80,000	80,000	44,324	-	44,324	(35,676)
Sale of fixed assets	1,000	1,000	-	-	-	(1,000)
Miscellaneous	35,000	35,000	36,642	-	36,642	1,642
Amounts available for appropriation	5,894,100	5,894,100	7,776,847	-	7,776,847	1,882,747
Current						
General government	1,486,750	1,486,750	4,042,449	(2,700,000) ¹	1,342,449	144,301
Public safety-police	2,262,350	2,262,350	2,177,964	-	2,177,964	84,386
Public works-Streets & sanitation	2,047,850	2,047,850	866,342	-	866,342	1,181,508
Debt Service						
Debt service - principal payments	-	-	23,789	-	23,789	(23,789)
Debt service - interest expense	-	-	1,975	-	1,975	(1,975)
Capital Outlay						
General government	500,000	500,000	42,350	-	42,350	457,650
Museum and park	25,000	25,000	-	-	-	25,000
Police	150,000	150,000	252,281	-	252,281	(102,281)
Public Works	1,750,000	1,750,000	2,106,722	-	2,106,722	(356,722)
Total expenditures	8,221,950	8,221,950	9,513,872	(2,700,000)	6,813,872	1,408,078
Excess (Deficiency) of Revenue over Expenditures	(2,327,850)	(2,327,850)	(1,737,025)	2,700,000	962,975	3,290,825
Other Financing Sources (Uses)						
Proceeds from SBITA	-	-	-	-	-	-
Total other financing sources (uses)	97,150	97,150	-	-	-	-
Net Change in Fund Balance	(2,230,700)	(2,230,700)	(1,737,025)	2,700,000	962,975	3,290,825
Beginning Fund Balance			8,314,392			8,314,392
Ending Fund Balance	\$ (2,230,700)	\$ (2,230,700)	\$ 6,577,367	\$ 2,700,000	\$ 962,975	\$ 11,605,217

Explanation of differences¹ Litigation expenses that were incurred during the year but were not known or anticipated at the time the budget was adopted.

TOWN OF ADDIS, LOUISIANA***Schedule of Employer's Proportionate Share of the Net Pension Liability******Year Ended December 31, 2024***

Fiscal Year*	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a % of its Covered Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
<u>MPERS:</u>					
2024	0.1926%	\$ 1,744,984	\$ 678,962	257.01%	75.84%
2023	0.1865%	\$ 1,970,536	\$ 631,851	311.87%	71.30%
2022	0.1550%	\$ 1,584,079	\$ 478,418	331.11%	70.80%
2021	0.1569%	\$ 836,331	\$ 478,654	174.73%	84.09%
2020	0.1507%	\$ 1,392,597	\$ 375,652	370.71%	70.94%
2019	0.1389%	\$ 1,261,281	\$ 420,238	339.26%	71.01%
2018	0.1506%	\$ 1,273,528	\$ 444,562	311.95%	71.39%
2017	0.1566%	\$ 1,367,752	\$ 467,694	292.45%	70.08%
2016	0.1689%	\$ 1,575,130	\$ 470,755	334.60%	66.04%
2015	0.1669%	\$ 1,307,456	\$ 452,032	289.24%	70.73%

* The amounts presented have a measurement date of June 30 of the current fiscal year end.

TOWN OF ADDIS, LOUISIANA***Schedule of Employer's Pension Contributions******Year Ended December 31, 2024***

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Employee Payroll
<u>MPERS:</u>					
2024	\$ 247,268	\$ 247,268	\$ -	\$ 711,017	34.78%
2023	\$ 212,733	\$ 212,733	\$ -	\$ 652,545	32.60%
2022	\$ 179,068	\$ 179,068	\$ -	\$ 586,344	30.54%
2021	\$ 140,060	\$ 140,060	\$ -	\$ 438,793	31.92%
2020	\$ 159,722	\$ 159,722	\$ -	\$ 482,195	33.12%
2019	\$ 141,691	\$ 141,691	\$ -	\$ 375,652	37.72%
2018	\$ 136,836	\$ 136,836	\$ -	\$ 424,487	32.24%
2017	\$ 148,493	\$ 148,493	\$ -	\$ 463,795	32.02%
2016	\$ 138,872	\$ 138,872	\$ -	\$ 470,259	29.53%
2015	\$ 140,570	\$ 140,570	\$ -	\$ 465,948	31.50%

TOWN OF ADDIS, LOUISIANA

Notes to Required Supplementary Schedules Schedule of Employer's Proportionate Share of the Net Pension Liability and Schedule of Employer's Pension Contributions

December 31, 2024

Changes of Benefit Terms

There were no changes in benefit terms.

Changes of Assumptions

There were no changes in actuarial assumptions.

TOWN OF ADDIS, LOUISIANA

Other Supplementary Information

December 31, 2024

TOWN OF ADDIS, LOUISIANA***Schedule of Compensation Paid to Mayor******Year Ended December 31, 2024*****Agency Head Name: Mayor David Toups****Purpose**

Salary	\$ 98,167
Benefits - insurance	36,169
Benefits - retirement	20,192
Social security and medicare employer contributions	9,488
Car allowance	4,800
Registration fee	1,759
	<u>\$ 170,575</u>

TOWN OF ADDIS, LOUISIANA***Schedule of Compensation Paid to Town Council******Year Ended December 31, 2024*****Council Member**

Kevin Leblanc	\$ 9,000
Rhonda L. Kelly	9,000
Russell L Parrish	9,000
Bliss Bernard	9,000
Ray LeJeunue, Sr.	9,000
	<u>\$ 45,000</u>

Town of Addis Justice System Funding Schedule - Collecting/Disbursing Schedule Cash Basis Presentation As Required by La. R.S. 24:515.2		
	Amount for 01/01/2024 - 06/30/2024	Amount for 07/01/2024 - 12/31/2024
1. Beginning Cash Balance	19,576	18,361
2. Collections		
a. Civil Fees	-	-
b. Bond Fees	200	-
c. Cash Bonds	-	-
d. Asset Forfeiture/Sale	-	-
e. Pre-Trial Diversion Program Fees	-	-
f. Criminal Court Costs/Fees	7,768	4,656
g. Criminal Fines – Contempt	145,820	110,617
h. Criminal Fines – Other/Non-Contempt	-	-
i. Restitution	-	-
j. Probation/Parole/Supervision Fees	-	-
k. Service Fees	-	-
l. Collection Fees	6,193	2,877
m. Interest Earnings on Collected Balances	-	-
n. Other	-	-
Total Collected	159,981	118,150
3. Deductions: Collections Retained by the Town of Addis		
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	7,768	4,656
g. Criminal Fines – Contempt	145,820	110,617
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 Town of Addis	153,588	115,273
4. Deductions: Amounts Disbursed to Individuals and Entities, Excluding Governments and Nonprofits		
a. Collection/Processing Fees Paid to Third Party Entities	1,898	1,249
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	-	-
Total Amounts Disbursed to Individuals and Entities, Excluding Governments and Nonprofits	1,898	1,249
5. Deductions: Total Disbursements to Other Governments & Nonprofits	5,710	4,829
6. Total Amounts Disbursed/Retained	161,196	121,351
7. Ending Cash Balance	18,361	15,160
8. Ending Balance of "Partial Payments" Collected but not Disbursed	-	-
9. Other Information:		
I. Ending Balance of Amounts Assessed but Not Yet Collected [i.e. total ending receivable balances]	18,281	15,081
II. Total Waivers During the Fiscal Period [i.e. non-cash reduction of receivable balances, such as time served or community service]	-	-

Town of Addis**Justice System Funding Schedule - Disbursements to Other Governments & Nonprofits Form**

Cash Basis Presentation

As Required by La. R.S. 24:515.2

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	Amount for
				01/01/2024 - 06/30/2024	07/01/2024 - 12/31/2024
LA Commission on Law Enforcement and Administration of Criminal Justice	\$1816. Crime Victims Reparations Fund; creation; sources and use of funds	R.S. 46:1816(D)	f. Criminal Court Costs/Fees	1,706	1,422
Louisiana Department of Health	\$2633. Traumatic Head and Spinal Cord Injury Trust Fund	R.S. 46:2633	f. Criminal Court Costs/Fees	1,010	910
Supreme Court	\$86. Judicial College; education account; sources of funds	R.S. 13:86	f. Criminal Court Costs/Fees	417	346
Department of the Treasury	\$2583. Disability Affairs Trust Fund	R.S. 46:2583	f. Criminal Court Costs/Fees	75	75
18th Judicial District Court Judicial Expense Fund	\$1898. Collection and disposition of fines; forfeitures; penalties; and costs	R.S. 13:1898	f. Criminal Court Costs/Fees	2,502	2,076

Town of Addis**Justice System Funding Schedule - Receiving Schedule**

Cash Basis Presentation

As Required by La. R.S. 24:515.2

		Amount for 01/01/2024 - 06/30/2024	Amount for 07/01/2024 - 12/31/2024
1. Ending Balance of Amounts Assessed but Not Received:		-	-
2. Details of Receipts from Collecting/Disbursing Agency			
		Amount for 01/01/2024 - 06/30/2024	Amount for 07/01/2024 - 12/31/2024
Agency Remitting Money	Remittance Type		
Office of Motor Vehicles Public Safety Services	b. Bond Fees	200	-
Office of Motor Vehicles Public Safety Services	n. Other	2,013	1,388

TOWN OF ADDIS, LOUISIANA***Schedule of Insurance in Force******Year Ended December 31, 2024***

EMC Insurance	Fidelity Bond - Government Theft & Forgery	\$100,000 employee faithful performance bond	9/1/24-9/1/25
Louisiana Municipal Risk Management Agency	Workers Compensation	Statutory	1/1/24-12/31/24
EMC Insurance Co	Business Protection - Property & Inland Marine	Buildings, lift stations, EDP equipment	12/12/24-12/12/25
EMC Insurance Co	Crime	Theft; Forgery or Alteration	9/1/24-9/1/25
Louisiana Municipal Risk Management Agency	Auto & Commercial General liability, Errors and Omissions, Law Enforcement Officer	All risks \$500,000 Combined Single Limit; Comprehensive ACV with a \$1,000 deductible	5/1/24-5/1/25
Assurant	Flood insurance- 7833 Ray Rivet Drive	Building-\$60,100 Contents \$9,600	5/14/24-5/14/25
Assurant	Flood insurance- Town Hall	Building-\$100,000 Contents \$50,000	6/21/24-6/21/25

TOWN OF ADDIS, LOUISIANA***Schedule of Statistical Data******Year Ended December 31, 2024***

Number of sewer customers for the year ended December 31, 2024	2,831
User fee in effect at December 31, 2024:	
Residential:	
First 4,000 gallons of water used	24.00
Every 1,000 gallons of water in excess of 4,000 gallons	3.25
Commercial:	
First 4,000 gallons of water used	38.00
Every 1,000 gallons of water in excess of 4,000 gallons	3.00
Total sewer revenue	1,346,913
Average monthly bill per user	\$ 39.65

TOWN OF ADDIS, LOUISIANA***Schedule of Debt Service Coverage Ratio******Year Ended December 31, 2024***

Net operating income	\$ (89,926)
Depreciation	442,011
Total net revenues	<u>352,085</u>
Interest (largest payment year)	14,649
Principal (largest payment year)	242,000
Total required deposit	<u>256,649</u>
Debt Service Coverage Ratio	<u><u>1.37</u></u>

BAXLEY AND ASSOCIATES, LLC

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Margaret A. Pritchard, CPA/CGMA

Staci H. Joffrion, CPA/CGMA

Hugh F. Baxley, CPA/CGMA
(August 10, 1933 – August 31, 2024)

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

To the Honorable David Toups, Mayor
and the Council Members
Town of Addis
Addis, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Town of Addis, Louisiana, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Town of Addis, Louisiana’s basic financial statements, and have issued our report thereon dated June 26, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Addis, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Plaquemine, Louisiana
June 26, 2025

TOWN OF ADDIS, LOUISIANA

Schedule of Findings and Responses

December 31, 2024

Section I-Summary of Audit Results

Financial Statements

Type of auditor's report issued: Unmodified

Report on Internal Control and Compliance Material to the Financial Statements

- Material Weaknesses ☐ Yes ☒ No Significant deficiencies ☐ Yes ☒ None noted
- Noncompliance Material to the Financial Statements ☐ Yes ☒ No

Federal Awards

N/A – Federal awards below \$750,000 threshold required by the Uniform Guidance

Management Letter

No management letter issued.

Section II-Financial Statement Findings

None.

Section III-Independent Auditor's Comment on Resolution of Prior Audit Findings Internal Control Findings

No prior year findings reported.