Town of Rayville, Louisiana

Annual Financial Statements

June 30, 2025

HMV

CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF RAYVILLE
RAYVILLE, LOUISIANA
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Honorable Harry Lewis, Mayor
Members of the Town Council
Town of Rayville, Louisiana

Independent Auditor's Report

Report on the Audit of the Financial Statements

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

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

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

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

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

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 judgement 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's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the accompanying schedules of required contributions, proportional share of the net pension liability and related ratios on pages 4-12 and 50-53, 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's basic financial statements. The justice system funding is presented for purposes of additional analysis and is 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2026, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Heard, McElroy & Vestal, LLC

Monroe, Louisiana
April 23, 2026

REQUIRED SUPPLEMENTARY INFORMATION (PART I)

The management of the Town of Rayville, Louisiana offers readers of the Town of Rayville, Louisiana's (Town) financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2025. This management discussion and analysis ("MD&A") is designed to provide an objective analysis of the Town's financial activities based on currently known facts, decisions, and conditions. It is intended to provide readers with a broad overview of Town finances. It is also intended to provide readers with an analysis of the Town's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the Town. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Town's financial activity, identify changes in the Town's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with additional information presented throughout this report.

Overview of the Financial Statements

This section is intended to serve as an introduction to the Town's financial statements. The Town's basic financial statements consist of the government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information, which is in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad, entity-wide perspective on the Town's financial position and operations. These statements represent a shift from the traditional focus on individual funds by presenting the Town as a single economic unit. They consist of the Statement of Net Position and the Statement of Activities, which together offer readers a comprehensive overview of the Town's overall financial condition in a format similar to that used by private-sector organizations.

The Statement of Net Position reports all of the Town's assets and liabilities using the accrual basis of accounting, which recognizes economic events regardless of the timing of related cash flows. The difference between total assets and total liabilities is reported as net position. Over time, changes in net position can serve as an important indicator of whether the Town's financial condition is strengthening or weakening.

The Statement of Activities explains how the Town's net position changed during the fiscal year. Revenues are recorded when earned, and expenses are recorded when the underlying obligation is incurred, even if no cash is exchanged during the period. As a result, some revenues and expenses reported in this statement will not produce or require cash flows until future fiscal periods. The Statement of Activities also distinguishes between governmental activities and business-type activities.

Governmental activities are primarily supported by taxes, licenses, permits, fines, and intergovernmental revenues and include services such as police protection, fire services, and general government. Business-type activities, such as the Water and Sewer Departments, are intended to recover their costs through user charges or fees.

Fund Financial Statements – Governmental Funds

The fund financial statements provide more detailed information about the Town's most significant individual funds, rather than the Town as a whole. These statements present the Town's financial activities using categories that reflect how resources are allocated and managed for specific purposes.

The Town currently maintains four individual governmental funds (General Fund, Special Revenue – Economic Development, ARPA Fund and Capital Projects Fund). Each fund is considered a major fund. Information is presented separately for each fund as outlined in the table of contents.

The Town adopts an annual budget for the General Fund, the Special Revenue – Economic Development Fund, and the Capital Projects Fund. A statement of revenues, expenditures, and changes in fund balance for the General Fund, and the Special Revenue – Economic Development Fund, and Capital Projects Fund are presented in the Required Supplemental Information (Part II), which compares actual revenues and expenditures to the budget figures.

Fund Financial Statements – Proprietary Funds

The Town maintains one proprietary fund. Proprietary funds are used to report the same functions as business-type activities. The Town uses an enterprise fund (the first type of proprietary fund) to account for its Combined Water and Sewer Operations. This enterprise fund reports the same functions presented as business-type activities in the government-wide financial statements.

Financial Highlights and Overall Position

As noted in the introductory section describing the government-wide statements, net position can serve as a valuable indicator of a government's overall financial health. At the close of the year ended June 30, 2025, the Town's assets and deferred outflows exceeded its liabilities and deferred inflows by $12,331,973, an increase of $373,862 from the prior year. Of this total, $6,224,820 pertains to governmental activities and $6,107,153 pertains to business-type activities.

A significant portion of the Town's net position, $11,592,078 (approximately 94 percent), is invested in capital assets such as land, buildings, infrastructure, and equipment, net of related outstanding debt. These assets are used to deliver essential services to the public and are therefore not available for future spending. Although reported net of related debt, the resources needed to repay that debt must come from future revenues, as capital assets themselves cannot be used to satisfy liabilities.

Of the remaining balance, approximately 2 percent (or $234,833) is classified as restricted for specific purposes, and the unrestricted portion of net position is $505,062. The Town's total outstanding debt at year-end was $7,493,567, which supports the Town's $19,085,644 in capital assets. Total liabilities of $10,019,330 represent approximately 81 percent of total net position. These figures continue to reflect a financially stable, though capital-intensive, environment.

Government-wide Financial Analysis

The government-wide statements are prepared on the accrual basis of accounting and recognize all revenues, expenses, assets, liabilities, and deferred items, regardless of the timing of cash flows.

The following is a condensed statement of the Town of Rayville's net position as of June 30, 2025:

Condensed Statement of Net Position (June 30, 2025)	Governmental Activities	Business-type Activities	Total
Current and other assets	$ 1,937,385	$ 1,558,365	$ 3,495,750
Capital assets (net)	6,339,428	12,230,933	18,570,361
Total assets	8,276,813	13,789,298	22,066,111
Deferred outflows of resources	362,586	131,780	494,366
Total assets and deferred outflows	8,639,399	13,921,078	22,560,477
Other liabilities	360,620	488,623	849,243
Long-term liabilities	1,885,193	7,284,894	9,170,087
Total liabilities	2,245,813	7,773,517	10,019,330
Deferred inflows of resources	168,766	40,408	209,174
Total liabilities and deferred inflows	2,414,579	7,813,925	10,228,504
Net investment in capital assets	6,326,196	5,265,882	11,592,078
Restricted	46,135	188,698	234,833
Unrestricted	(147,511)	652,573	505,062
Total net position	$ 6,224,820	$ 6,107,153	$ 12,331,973

The following is a summary of the statement of activities:

Summary of Statement of Activities (Year Ended June 30, 2025)	Governmental Activities	Business-type Activities	Total
Program revenues	$ 1,493,942	$ 1,435,096	$ 2,929,038
General revenues	3,337,466	201,397	3,538,863
Total revenues	4,831,408	1,636,493	6,467,901
Total expenses	4,007,395	2,086,644	6,094,039
Excess (deficiency) of revenues over expenses	824,013	(450,151)	373,862
Net position, June 30, 2024	5,400,807	6,557,304	11,958,111
Net position, June 30, 2025	$ 6,224,820	$ 6,107,153	$ 12,331,973

Governmental revenues in the current and prior fiscal year are comprised of the following:

Revenue Summary	Year End June 30, 2025	Year End June 30, 2024
Program revenues		
Rents and fees	$ 17,404	$ 13,820
User fees	1,877,558	1,809,138
Operating grants	260,168	395,419
Capital grants	773,908	674,910
Total program revenue	2,929,038	2,893,287
General revenues		
Property taxes	377,201	352,901
Sales taxes	2,426,930	1,638,218
Franchise and insurance taxes	163,158	162,016
Fines	101,768	100,537
Other tax and licenses	205,521	195,215
Investment earnings	13,444	29,375
Other general revenues	171,392	72,677
Intergovernmental	79,449	154,937
Total general revenues	$ 3,538,863	$ 2,705,876

Governmental Activities

The governmental activities of the Town include General Government, Public Safety, Public Works, Recreation, Airport, and Industrial Development. Revenues normally associated with municipal operations are sales tax, property tax, franchise fees, license fees, sanitation fees, permits, fines, and operating grants.

Governmental activities increased the Town's net position by $824,013 during the year ended June 30, 2025. The most significant factor contributing to this increase was the completion of street improvements funded by $665,710 in operating and capital grants, which strengthened infrastructure and increased program revenues. The Town also recognized the remaining portion of its American Rescue Plan Act (ARPA) funding, which had previously been reported as a deferred inflow.

Sales tax revenues increased during the latter half of the year ended June 30, 2025. This growth corresponded to higher levels of commercial activity and traffic associated with a major construction project in Richland Parish. Additionally, the Town recorded the actuarial adjustment to its net pension liability, which is measured one year in arrears as of June 30, 2024. Because pension obligations are sensitive to market conditions and economic assumptions, this adjustment had a meaningful impact on governmental activity results for the year.

Business-Type Activities

The business-type activities of the Town are those that charge a fee to customers for the services provided. The Town has one business-type activity which is accounted for in the enterprise fund. The Town uses the enterprise fund to account for the revenues and expenses related to the provision of water and sewer services.

Business-type activities, represented by the Water and Sewer Fund, experienced a decrease in net position of $450,151 during the year ended June 30, 2025. Operational expenditures, including system maintenance, utility costs, personnel, and treatment expenses, remained substantial. Depreciation on the utility system continued to represent a major non-cash cost of operations.

In addition, the Town transferred an existing leased truck from governmental activities to the Water and Sewer Fund and entered into a new lease for a second truck. These actions increased both the fund's capital assets and its lease liabilities, thereby increasing amortization and interest expense. While charges for services remained steady, they were not sufficient to fully offset operational and capital-related costs for the year.

Fund Financial Statements – Town of Rayville – All Funds

An analysis of the individual funds of the Town for the fiscal year is outlined below:

Fund Comparison Summary (Year Ended June 30, 2025)	General Fund	Economic Development Fund	Capital Projects Fund	ARPA Fund	Water & Sewer Fund
Revenues	$ 4,932,419	$ 406	$ -	$ 74	$ 1,435,096
Expenditures	4,436,942	-	-	-	1,894,078
Excess (deficiency) of revenues over expenditures	495,477	406	-	74	(458,982)
Other financing sources (uses)	144,173	-	1,200	(232,086)	186,471
Non-operating revenue (expenses)	-	-	-	-	(177,640)
Net change in fund balance	639,650	406	1,200	(232,012)	(450,151)
Beginning fund balance	530,262	43,695	(1,190)	234,036	6,557,304
Ending fund balance	$ 1,169,912	$ 44,101	$ 10	$ 2,024	$ 6,107,153

Financial Analysis of the Town's Governmental Funds

Governmental funds are reported using the modified accrual basis of accounting, which emphasizes near-term financial inflows, outflows, and resources available for expenditure. At the close of the year ended June 30, 2025, the Town's governmental funds reported a combined ending fund balance of $1,216,047, an increase of $ 409,244 from the restated prior-year ending fund balance of $806,803.

Of this amount, $46,135 is restricted for specific purposes, including $44,101 restricted for economic development within the Industrial Park, $10 restricted for capital improvement projects, and $2,024 of remaining American Rescue Plan Act funds. The remaining $1,169,912 is unassigned fund balance within the General Fund and is available to meet the Town's ongoing financial needs.

The overall increase in governmental fund balances for the year ended June 30, 2025, reflects several key factors, including increased sales tax collections, recognition of the final ARPA allocation, the sale of industrial park land for $95,263, and grant-funded activity related to infrastructure improvements.

General Fund

The General Fund's financial performance during the year ended June 30, 2025, benefited from stronger Sales Tax Fund transfers in the latter half of the year, consistent with increased commercial and construction-related activity in the region. The Town also recognized the final portion of its ARPA allocation as operating revenue, which strengthened available resources for governmental operations. Expenditures for general government, public safety, and public works continued at levels comparable to the prior year.

Two prior period adjustments affected only the General Fund's beginning fund balance. First, compensated absences—appropriate only for government-wide reporting—were removed from the prior-year fund statements. Second, fines receivable that did not meet the sixty-day availability criterion were removed. These adjustments corrected the beginning fund balance but had no effect on government-wide net position. The corrected treatment of these items will be reflected in the fund statements going forward.

Special Revenue Funds

The Town maintains one major special revenue funds: the Economic Development Special Revenue Fund. The Economic Development Special Revenue Fund is restricted for economic development within the Town's designated industrial area. During the year, the fund recorded $95,263 from the sale of industrial park land. These proceeds were transferred to the General Fund to support general government operations.

Capital Projects Fund

The Capital Projects Fund experienced limited activity during the year ended June 30, 2025. The primary expenditure was the completion of a grant-funded HVAC project at the Civic Center. The remaining fund balance is restricted for capital improvement projects and will be used for eligible infrastructure or facility-related enhancements.

Financial Analysis of the Town's Proprietary Fund

The Water and Sewer Fund is accounted for using the accrual basis of accounting and includes all operations related to the Town's utility systems. Net position decreased by $450,151 during the year ended June 30, 2025. Operating revenues remained steady; however, they did not outpace operational expenditures, depreciation, and debt-related obligations. The addition of two leased vehicles increased the fund's capital assets but also increased the fund's long-term payment obligations. Continued long-term planning for utility infrastructure remains important, given the age of the system and the cost of ongoing maintenance.

The financial statements of the enterprise funds are presented on the same basis of accounting as in both the government-wide financial statements and the individual funds statements. All comments and analysis made under business-type activities also apply to these funds.

General Fund Budgetary Highlights

Actual revenues were $1,466,379 more than the budgeted amounts. This increase is due to the increase in sales tax from the large construction project in Richland Parish. Other increases to revenue were completion of capital grant projects that were not amended in the budget. Expenditures were more than budget by $726,592. Other financing sources were less than budget by $105,827. The variance occurred because the budget was not amended to reflect the changes in expenditures due to the increased available funds and capital outlay due associated with grant projects.

Industrial Park Fund Budgetary Highlights

Actual revenues were $356 more than the budgeted amounts. Other financing sources were more than budget by $95,263. Other financing uses were more than budget by $95,263. The unfavorable variance resulted from the sale of Industrial Park land, the proceeds of which were deposited into the General Fund rather than budgeted within the Industrial Park Fund. Because the fund is used infrequently, the transaction was not identified during budget development and was omitted from the adopted budget, resulting in both a favorable variance in the sale of land and a corresponding unfavorable variance in transfers.

Capital Asset and Debt Administration

The Town's investment in net capital assets as of June 30, 2025 was $19,085,644, a decrease of $370,924 from $19,456,568 at June 30, 2024. Although total (gross) capital assets increased during fiscal year 2025, the increase was more than offset by depreciation expense recorded for the year.

New major capital assets purchased or constructed in fiscal year 2025 are:

Governmental activities:

1. Airport Improvements in progress	$100,810
2. Street Improvements in Progress	676,154

Proprietary activities:

1. Equipment and Machinery	$ 22,500
2. Right to Use Assets	110,293
3. System Improvements	79,804

Proprietary Debt:

The Town of Rayville used cash, grants and loans to acquire the current year capital assets. Through the USDA RDC, and co-operative endeavors the Town has grant/loan projects committed for funding that have not yet been started.

Through a Co-operative Endeavor with the State of LA, the Town has planned a project to construct new water service facilities. The total project budget is $27,926,690 and consists of several small projects. The funding that has been committed includes $2,000,000 in state funding and $2,000,000 in loans to the Town. As of June 30, 2025, two of the projects have been completed for $856,490 in state funding and one other project has been started for $238,400 in state funding. The total amount of state funding used is $1,094,890.

On October 9, 2023, the Town Council passed Resolution 2023-15, authorizing the issuance of up to $5,011,000 in bonds to partially fund the acquisition, construction, expansion, improvement, and extension of the town's water system. This funding is planned to work in conjunction with a $2,063,000 grant awarded by the USDA. As of June 30, 2025, neither the bonds have been issued nor the grant funds received, but these efforts represent a significant step toward improving critical infrastructure for the community.

General Governmental Debt:

The following is a summary of General Government and Proprietary debt transactions of the Town for the fiscal year ended June 30, 2025:

Proprietary Debt	USDA WWTP	2021 Refund	Unamortized OID	Lease Obligations
Payable at July 1, 2024	$ 3,210,087	$ 4,020,000	$ (82,517)	$ -
New lease/loan	-	-	-	48,933
OID Amortization	-	-	3,056	-
Loans/leases retired	(84,377)	(105,000)	-	(22,191)
Payable at June 30, 2025	$ 3,125,710	$ 3,915,000	$ (79,461)	$ 26,742

Various capital assets were purchased by the Town through capital leases.

Governmental Debt	Police Vehicle	Lease Obligations
Payable at July 1, 2024	$ 4,213	$ 552,132
New lease/loan	-	-
Capital lease/loan retired	(4,213)	(90,995)
Payable at June 30, 2025	$ -	$ 461,137

COVID-19 Relief Grants

On June 24, 2021, the Town signed a grant agreement for Federal assistance from funds from the American Rescue Plan Act of 2021. As of the date of this report, $1,286,960 has been awarded and will be recognized as revenue as eligibility requirements for the agreement are met.

For the year ended June 30, 2025, all funds have been advanced. In the prior year, $1,075,928 had been recognized in revenue. In the current year ended June 30, 2025, $210,468 has been recognized in revenue. Revenue will be recognized as Operating Grants on the Statement of Activities and in Intergovernmental revenues on the Statement of Revenues, Expenditures, and Changes in Fund Balance.

Current Financial Factors

Rayville is a small municipality in Richland Parish with a population of 3,495, according to the United States Census Bureau, 2020 Decennial Census. The Town functions as a commercial and service hub along the Interstate-20 corridor, and its economic environment is shaped by regional retail activity, traffic flow along the interstate, and the presence of construction, industrial, and agricultural operations in the surrounding parish.

During the year ended June 30, 2025, the Town experienced increased sales tax collections attributable to heightened traffic and spending associated with a major construction project in the parish. This activity positively influenced General Fund and Sales Tax Fund revenues and reflects the Town's sensitivity to regional commercial and industrial developments.

The Town also continued to invest in essential infrastructure, including street improvements funded through federal and state programs and utility system enhancements financed through the Water and Sewer Fund. Such investments remain vital for supporting economic activity, maintaining service levels, and preserving long-term asset conditions.

Pension-related costs and the net pension liability will continue to fluctuate based on annual actuarial valuations, investment market performance, and demographic assumptions, all of which can materially affect government-wide reporting.

Additionally, as a small municipality with limited revenue diversification, Rayville's financial condition remains closely tied to local economic trends, grant availability, and the stability of its utility system and transportation network.

Requests for Information

This financial report is designed to provide a general overview of the Town of Rayville's finances for all with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Deborah Nealon, Town Clerk, Post Office Box 878, Rayville, Louisiana, 71269.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF RAYVILLE
RAYVILLE, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 483,713	$ 1,600,692	$ 2,084,405
Investments	141,247	-	141,247
Receivables (net of allowance)	525,594	227,951	753,545
Accrued interest receivable	1,270	-	1,270
Due from other funds	337,656	(337,656)	-
Lease asset (net)	447,905	67,378	515,283
Capital assets, Net:			
Non depreciable assets	1,153,982	394,831	1,548,813
Depreciable asset	5,185,446	11,836,102	17,021,548
Total assets	8,276,813	13,789,298	22,066,111
DEFERRED OUTFLOWS OF RESOURCES	362,586	131,780	494,366
LIABILITIES			
Accounts payable	218,820	99,583	318,403
Accrued expenditures	14,727	8,334	23,061
Accrued interest payable	-	-	-
Compensated absences	67,680	15,157	82,837
Customer Deposits	-	152,593	152,593
Current portion of lease liability	59,393	21,768	81,161
Current portion of long term obligations	-	191,188	191,188
Non-current portion of long term obligations	-	6,770,061	6,770,061
Lease liability	401,744	49,413	451,157
Net pension liability	1,483,449	465,420	1,948,869
Total liabilities	2,245,813	7,773,517	10,019,330
DEFERRED INFLOWS OF RESOURCES	168,766	40,408	209,174
NET POSITION			
Net investment in capital assets	6,326,196	5,265,882	11,592,078
Restricted	46,135	188,698	234,833
Unrestricted	(147,511)	652,573	505,062
	$ 6,224,820	$ 6,107,153	$ 12,331,973

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

TOWN OF RAYVILLE
RAYVILLE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

		Program Revenues				Net (Expenses), Revenues, and Changes		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenue	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES								
General government	$ 1,156,147	$ 17,404	$ 260,168	$ -	$ (878,575)	$ (878,575)	$ -	$ (878,575)
Public Safety - Police	1,056,052	-	-	-	(1,056,052)	(1,056,052)	-	(1,056,052)
Public Safety - Fire	280,626	-	-	-	(280,626)	(280,626)	-	(280,626)
Public Works - Streets	787,588	-	-	665,710	(121,878)	(121,878)	-	(121,878)
Public Works - Sanitation	487,478	442,462	-	-	(45,016)	(45,016)	-	(45,016)
Public Works - Utility	-	-	-	-	-	-	-	-
Recreation	78,550	-	-	-	(78,550)	(78,550)	-	(78,550)
Airport	160,954	-	-	108,198	(52,756)	(52,756)	-	(52,756)
Total Governmental Activities	4,007,395	459,866	260,168	773,908	(2,513,453)	(2,513,453)	-	(2,513,453)
BUSINESS-TYPE ACTIVITIES								
Water & sewer	2,086,644	1,435,096	-	-	(651,548)	-	(651,548)	(651,548)
Total Business-Type Activities	2,086,644	1,435,096	-	-	(651,548)	-	(651,548)	(651,548)
Total	$ 6,094,039	$ 1,894,962	$ 260,168	$ 773,908	$ (3,165,001)	(2,513,453)	(651,548)	(3,165,001)
General Revenues:								
Property Taxes						377,201	-	377,201
Sales Taxes						2,426,930	-	2,426,930
Franchise & Insurance Taxes						163,158	-	163,158
Beer Taxes						2,983	-	2,983
Occupational & Other Licenses						202,538	-	202,538
Special Item - Gain on Sale of Asset (Land)						72,558	-	72,558
Investment Earnings						2,452	10,992	13,444
Fines and forfeitures						101,768	-	101,768
Other General Revenues						98,834	-	98,834
Intergovernmental						71,020	8,429	79,449
Transfers						(181,976)	181,976	-
Total general revenues and transfers						3,337,466	201,397	3,538,863
Change in Net Position						824,013	(450,151)	373,862
Net position - beginning, as originally stated						5,504,705	6,557,304	12,062,009
Prior period adjustment						(103,898)	-	(103,898)
Net Position - beginning, restated						5,400,807	6,557,304	11,958,111
Net Position - ending						$ 6,224,820	$ 6,107,153	$ 12,331,973

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

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

TOWN OF RAYVILLE
RAYVILLE, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

			Capital Projects Funds		
	General Fund	Economic Development Fund	Capital Projects Fund	ARPA fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 466,200	$ 15,479	$ 10	$ 2,024	$ 483,713
Investments	112,634	28,613	-		141,247
Receivables (net of allowance)	525,594	-	-		525,594
Accrued interest receivable	1,261	9	-		1,270
Due from other funds	337,656	-	-		337,656
Total assets	1,443,345	44,101	10	2,024	1,489,480
LIABILITIES					
Accounts payable	218,820	-	-		218,820
Accrued expenditures	14,727	-	-		14,727
Total liabilities	233,547	-	-		233,547
DEFERRED INFLOWS					
Deferred inflows of resources	39,886	-	-	-	39,886
FUND BALANCE					
Restricted fund balance	-	44,101	10	2,024	46,135
Assigned fund balance	-	-	-	-	-
Unassigned fund balance	1,169,912	-	-	-	1,169,912
Total fund balance	$ 1,169,912	$ 44,101	$ 10	$ 2,024	$ 1,216,047

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

TOWN OF RAYVILLE
RAYVILLE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total fund balances for governmental funds at June 30, 2025		$ 1,216,047
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. Those assets consists of:		
Capital assets not being depreciated or amortized	1,153,982	
Capital and right-to-use assets being depreciated and amortized	5,633,351	6,787,333
Deferred outflows of resources are not available to pay current period expenditures and therefore are not reported in the governmental funds.		
Deferred outflows related to pensions		362,586
Lease obligations reported in the governmental activities are not payable from current resources and therefore are not reported in the governmental funds		(461,137)
Long-term pension obligations are not payable from current resources and therefore are not reported in the governmental funds Long-term liabilities consist of :		
Compensated Absences Payable		(67,680)
Net Pension Liability		(1,483,449)
Deferred inflows of resources are not due and payable in the current period and accordingly are not reported in the governmental funds.		
Deferred inflows related to grant revenue	39,886	
Deferred inflows related to pensions	(168,766)	(128,880)
Net Position of Governmental Activities		$ 6,224,820

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

TOWN OF RAYVILLE
RAYVILLE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR JUNE 30, 2025

			Capital Projects Funds		
REVENUES	General Fund	Economic Development Fund	Capital Projects Fund	ARPA fund	Total Governmental Funds
Taxes	$ 2,970,272	$ -	$ -	$ -	$ 2,970,272
Licenses and permits	202,538	-	-	-	202,538
Intergovernmental revenues	1,097,169	-	-	-	1,097,169
Charges for services	459,866	-	-	-	459,866
Fines and forfeitures	101,768	-	-	-	101,768
Interest	1,972	406	-	74	2,452
Other	98,834	-	-	-	98,834
Total Revenues	4,932,419	406	-	74	4,932,899
EXPENDITURES					
General government	1,090,063	-	-	-	1,090,063
Police	1,034,278	-	-	-	1,034,278
Fire	238,936	-	-	-	238,936
Highways and streets	728,560	-	-	-	728,560
Sanitation	487,478	-	-	-	487,478
Recreation	65,014	-	-	-	65,014
Airport	15,649	-	-	-	15,649
Capital outlay	776,964	-	-	-	776,964
Total Expenditures	4,436,942	-	-	-	4,436,942
Excess of revenues over expenditures	495,477	406	-	74	495,957
Other financing sources					
Proceeds from sale of land	-	95,263	-	-	95,263
Operating transfers	144,173	(95,263)	1,200	(232,086)	(181,976)
Total other financing sources (uses)	144,173	-	1,200	(232,086)	(86,713)
Net change in fund balance	639,650	406	1,200	(232,012)	409,244
Fund balances - beginning, as originally stated	567,751	43,695	(1,190)	234,036	844,292
Prior period adjustment	(37,489)	-	-	-	(37,489)
Fund balances - beginning, restated	530,262	43,695	(1,190)	234,036	806,803
Fund balances - ending	$ 1,169,912	$ 44,101	$ 10	$ 2,024	$ 1,216,047

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

TOWN OF RAYVILLE
RAYVILLE, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Net Changes in Fund Balances, Total Governmental Funds		$ 409,244
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. The government-wide statements also reflect the effect of disposals of assets during the year.		
Changes due to capital outlays	776,964	
Adjustment to proceeds from sale of capital assets	(22,705)	
Changes due to depreciation	(404,817)	349,442
The issuance of long-term debt (bonds, etc.) 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 net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Equipment Note Payments	4,213	4,213
Governmental funds report lease payments as expenditures. However, in the statement of activities, the payments reported as a decrease in lease obligation and interest expense. In the statement of activities, the right to use asset for the leased asset is amortized.		
Expenditures for Lease Payments	53,936	
Amortization of Right of Use Asset	(69,691)	(15,755)
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.		
Pension expense		70,213
Compensated absences		(1,271)
Governmental funds report revenues only when they are considered available. However, the government-wide statement of activities recognizes revenues when they are earned, including fines and grant revenues that are deferred in the governmental funds because they do not provide current financial resources.		
Grant receivable not providing current resources	39,886	
Prior year unavailable grant revenue recognized	(31,959)	7,927
Change in net position of governmental activities		$ 824,013

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

PROPRIETARY FUNDS

TOWN OF RAYVILLE
RAYVILLE, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

ASSETS	Water & Sewer Fund
Current Assets	
Cash and cash equivalents	$ 450,419
Accounts receivable, net	164,082
Unbilled accounts receivable	63,869
Total current assets	678,370
Restricted assets:	
Construction accounts	26,407
Customer deposits	185,165
Sewer bond funds	686,232
Water bond funds	252,469
Total restricted assets	1,150,273
Capital assets:	
Non depreciable capital assets	394,831
Depreciable capital assets, net	11,836,102
Right of use assets, net	67,378
Total capital assets, net	12,298,311
Total assets	14,126,954
DEFERRED OUTFLOWS	131,780
LIABILITIES	
Accounts payable	99,583
Accrued expenditures	8,334
Due to other funds	337,656
Compensated absences	15,157
Current portion of lease liability	21,768
Current liabilities from restricted assets	
Customer Deposits	152,593
Current portion of long term obligations	191,188
Non current liabilities	
Non-current portion of long term obligations	6,770,061
Lease liability	49,413
Net pension liability	465,420
Total liabilities	8,111,173
DEFERRED INFLOWS	40,408
NET POSITION	
Investment in capital assets	5,315,294
Restricted	188,698
Unrestricted	603,161
Total net position	$ 6,107,153

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

TOWN OF RAYVILLE
RAYVILLE, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Water & Sewer Fund
Operating Revenues	
Charges for service	$ 1,309,495
Lease revenue	125,601
Total operating revenue	1,435,096
Operating Expenses	
Bad debts	122,496
Depreciation and amortization	804,797
Employee benefits	21,698
Fuel	11,796
Insurance	70,290
Professional	90,426
Repairs and equipment	99,792
Salaries	279,187
Supplies	181,233
Telephone	12,043
Utilities	184,808
Travel	2,631
Miscellaneous	12,881
Total operating expenses	1,894,078
Operating income	(458,982)
Non-operating revenues (expenses)	
Interest income	10,992
Interest expense	(188,632)
	(177,640)
Other financing sources	
Loss on lease transfer	(3,934)
Supplemental LA support	8,429
Transfers	181,976
	186,471
Change in net position	(450,151)
Net position - Beginning	6,557,304
Net position - Ending	$ 6,107,153

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

TOWN OF RAYVILLE
RAYVILLE, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Water & Sewer Fund
Cash flows from operating activities	
Recepts from customers and users	$ 1,352,857
Payments to suppliers	(402,795)
Payments to employees	(350,720)
Net cash provided by operating activities	599,342
Cash flows from non-capital financing activities	
Increse in customer deposits	
Increase in due to other funds	-
Transfer from other funds	181,976
LA supplemental support	8,429
	190,405
Cash flows from capital and related financing activities	
Capital assets purchased	(212,597)
Proceeds from lease financing	93,371
Principal paid on capital debt	(189,377)
Interest paid on capital debt	(186,015)
Net cash used by capital and related financing activities	(494,618)
Cash flows from investing activities	
Interest income	10,975
Net increase in cash and cash equivalents	306,104
Cash and cash euqivalents, beginning of year	1,294,588
Cash and cash equivalents, end of year	$ 1,600,692
Reconciliation of operating income to net cash provided by operating activities	
Operating Income	$ (463,788)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	804,797
Decrease in accounts receivable	37,663
Increse in unbilled accounts receivable	(8,805)
Increase in interfund payable	275,305
Decrease in accounts payable	(9,508)
Increase in accrued liabities	(154)
Increase in net pension liability and deferrals (net)	(48,623)
Increase in compensated absences	1,072
Increase in customer deposits	11,383
Total adjustments	1,063,130
Net cash provided by operating activities	$ 599,342

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

NOTES TO THE FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

The Town of Rayville, Louisiana was incorporated in 1911, under the provisions of the Lawrason Act. The Town operates under a Town Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, recreation, public improvements, planning and zoning, and general administrative services.

The accounting policies of the Town of Rayville conform to generally accepted accounting principles as applicable to governments. The Town applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The proprietary fund applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The following is a summary of the more significant policies:

a. Scope of Reporting Entity

This report contains all of the funds of the Town of Rayville. There are no significant additional organizations, functions, or activities over which the Town has manifestations of oversight and accountability, or for which the scope of public service or special financial arrangements may require them to be included in this report as per NCGA Statement 1 and GASB 14.

The Town of Rayville appoints the board of directors of the Rayville Housing Authority but has no financial accountability for the Rayville Housing Authority. There is no related-party activity between the Town and the Rayville Housing Authority. The Rayville Housing Authority submits its own financial statements which are a matter of public record. Because there is no financial accountability/obligation between the Town and the Housing Authority, those financial statements are not included in the Town's financial reports.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the government. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Management considers each of its funds (General Fund, Special Revenue – Economic Development Fund, ARPA Fund, and Capital Projects Fund, and Proprietary Fund) to be major funds.

c. Basis of Presentation

Fund Categories

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report into two generic fund types and two broad fund categories as follows:

Governmental Funds

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

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Project Funds – Economic Development Fund - The Economic Development Fund is reported as a Capital Projects Fund and is used to account for resources legally restricted for economic development initiatives, including the construction, rehabilitation, and acquisition of capital assets related to those purposes.

Proprietary Funds

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

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their statement of net position. Their reported fund equity (net total position) is segregated into Net Investment in Capital Assets, Restricted Net

Position, and Unrestricted Net Position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

d. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made regardless of the measurement focus applied.

Governmental Funds

Revenues are recognized when they become measurable and available as current assets. Available is generally defined as within 60 days. The revenue recognition is determined for each primary revenue source as detailed below:

Sales Tax - Sales Tax revenue is recorded when taxpayer liability is established and collectibility is reasonably assured using the modified accrual basis of accounting.

Fines – Based on the criteria of legal requirements, measurability, and collectibility, fines are recorded on the modified accrual basis of accounting.

Property Taxes - Property tax revenue is recorded when the taxes are levied as they become measurable and available. Property taxes are levied on November 1 and are due and payable at that time. An enforceable lien attaches to the property on January 1, as taxes become delinquent after December 31. The Town bills and collects its own property taxes. Property taxes receivable are accrued. Property taxes are reduced by an allowance for uncollectible taxes receivable when determinable by management.

The Louisiana Municipal Finance Law permits the Town to levy taxes of $20 per $100 of assessed valuation. The tax for the current period was 12.64 mills.

Taxpayer Assessed Revenues - Revenues from taxpayer assessment is recognized when cash is received as that is generally the earliest point that income is measurable and collectible. If taxpayer collectibility and liability are clearly established, as when tax returns are filed but payment while assured is not made, revenue is accrued prior to actual payment. Any refunds of such taxes would be reported as a reduction of revenue at the time the claims are filed with the Town.

Miscellaneous Revenues - Revenues from facility rental and other miscellaneous revenues are recorded as the cash is received.

Grants - Grants recorded in governmental funds are recognized as revenue in the accounting period when they become susceptible to accrual. Legal and contractual requirements are reviewed in making this determination with each grant. Generally, revenue is recorded at the time of receipt or earlier if the susceptibility to accrual criteria is met. As expenditures are often the prime factor for determining eligibility, revenues are recognized when the expenditure is made. If cost sharing or matching requirements exist, revenue recognition depends upon compliance with these requirements. Grants are included as Intergovernmental Revenue.

The measurement focus of governmental funds is on expenditures which represent decreases in net financial resources. Most expenditures are measurable and should be recorded when the related liability is incurred. The expenditures shall be the amount accrued during the year that would normally be liquidated with expendable available financial resources.

The expenditures for the following are recognized as detailed below:

Compensated Absences - Vacation and sick leave benefits are accrued in the government-wide financial statements when earned. In the governmental funds, such amounts are recognized as expenditures when due and payable from current financial resources.

Pension Expenditures - Historically the expenditure was recognized as the amount accrued during the year that will be liquidated with expendable available financial resources. This accrual was established by the amount of the payroll and the multiple employer retirement plans. All accrued amounts were considered to be current liabilities. The Town has implemented GASB 68. The implementation of GASB 68 does not impact the Fund Financial statements. The Town has implemented GASB 82, which expanded the disclosure requirements for pension expenditure reporting.

Long-Term Debt - Expenditures for principal and interest on general obligation long-term debt are recorded in the year of payment.

Inventory - Inventory items (material and supplies) are considered to be insignificant and are reported as expenditures when purchased.

Postemployment Benefits - The Town offers no Postemployment benefits other than retirement system pensions.

Proprietary Funds

The proprietary fund uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Operating revenues and expenses are limited to items directly related to the services of the Water and Sewer Systems and Lease Revenue. All other items are considered nonoperating. The following revenue or expense recognition applies:

Unbilled Water Receivables - The Town utilizes cycle billing to generate its water and sewer bills. The unbilled cycle representing water and sewer services provided is accrued for revenue recognition in the period earned.

Compensated Absences - Sick pay applicable to employees of the Water and Sewer Fund is accrued as it is earned, and the expense recognized in the period incurred.

Pension Expense - Historically, the pension expense applicable to employees of the Water and Sewer Fund was accrued as the salary was expensed upon which the cost was based. The Town implemented GASB 68 for the year ended June 30, 2015. Accordingly, pension expense is now calculated based on the Pension Plan financial reports. The Town has implemented GASB 82, which expanded the disclosure requirements for pension expenditure reporting.

Inventory - Inventory items (material and supplies) are considered to be nonmaterial and are reported as expenses when purchased.

Postemployment Benefits - The Town offers no Postemployment benefits other than retirement system pensions.

e. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The municipality maintains a threshold level of $2,500 or more for capitalizing capital assets used in the governmental funds. When GASB 34 was adopted, the Town elected not to report major general infrastructure assets retroactively.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

Description	Estimated Lives
Governmental activities:	
Land improvements	30 years
Buildings	40 years
Vehicles	5 – 15 years
Machinery and Equipment	5 – 15 years
Business-type activities/Enterprise Fund:	
Buildings	25 years
Systems and Improvements	20 – 50 years
Machinery and Equipment	10 – 20 years
Vehicles	5 years

f. Leases

Leases of equipment are reported in the governmental activities and business activities columns in the government-wide financial statements. At inception, leases are recorded at the present value of the minimum lease payments over the remaining life of the lease. The minimum lease payments are discounted at the entity's incremental borrowing rate, which has been estimated at 5%. The right to use the equipment under the lease is recorded as an asset in the statement of net position. The right to use leased equipment is amortized using the straight-line method over the life of the lease. In addition, the lease obligation is recorded as a liability in the statement of net position. The lease obligation is reduced as payments are made, and an outflow for interest expense on the liability is recognized in the statement of activities.

g. Fund Balance and Equity Classifications

Fund Balance

The Town of Rayville has implemented GASB 54. The Town assumes that when amounts are expended for purposes for which funds in any of the unrestricted classifications could be used, committed amounts are reduced first, followed by assigned amounts and then unassigned amounts.

Committed Fund Balance: The Town's highest level of decision making authority is through the process of adopting an ordinance. As such, an ordinance is introduced at an open Town Council meeting and adoption (or lack thereof) is at the next open Town Council meeting.

Assigned Fund Balance: The Special Revenue – Sales Tax Fund was established by the passage and renewal of the tax rate. The Town Council and Mayor administers the fund for the benefit of the Town's General Fund.

At the year ended, June 30, 2025, the general fund had certain assets that were restricted for grant-related construction activities. However, related liabilities exceeded these restricted assets by $10,838. In accordance with GASB Statement No. 54, restricted fund balance may not be reported as a deficit; therefore, no restricted fund balance is reported, and the deficit is included in unassigned fund balance.

Equity Classifications

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

a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted assets – Consists of assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions of enabling legislation.

c. Unrestricted assets – All other assets that do not meet the definition of "restricted" or "net investment in capital assets."

h. Estimates

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

i. Budgets and Budgetary Accounting

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

a. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

b. The statement of revenues, expenditures, and changes in fund balances - budget and actual for all governmental fund types presents comparisons of legally adopted budgets with actual data on a budgetary basis. Accounting principles applied for purposes of developing data on a budgetary basis and those used to present financial statements in conformity with generally accepted accounting principles are the same and no adjustment is necessary to convert the actual GAAP data to the budgetary basis.

c. Unused appropriations of all of the above annually budgeted funds lapse at the end of the fiscal year.

d. Prior to June 15, the Mayor submits to the Town Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to June 30, the budget is legally enacted through the passage of an ordinance.

e. The Mayor is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Town Council. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis.

f. The budgets were amended in the reporting year. The budget amounts shown in the financial statements are the final authorized amounts.

j. Deferred Outflows and Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Currently, the Town's deferred outflows and inflows of resources on the government-wide statements are attributable to its pension plans.

In addition, the ARPA Fund has a deferred inflow of $564 of American Rescue Plan Act funds received, but not assigned to eligible expenses.

II. Stewardship, Compliance, and Accountability

a. Budgetary Compliance

The Town was not in compliance with the General Fund budgeted expenditures. The Town was not in compliance with the Sales Tax Special Revenue Fund Budget. The Town was not in compliance with the Industrial Park Special Revenue Fund Budget.

b. Bond Restrictions

<u>Waste Water Treatment Plant</u>

The Waste Water Treatment Plant Bonds issued on September 17, 2012 are secured by and payable solely from the income and revenue derived or to be derived from the operation of the sewer system after provision has been made for the payment of the reasonable and necessary expenses of operating and maintaining the system.

The bond agreement requires the Town to establish certain cash accounts (Debt Service Reserve, Short-lived Asset Depreciation Reserve, O&M Reserve, and Depreciation/Contingency Reserve) and sets forth the balances that must be maintained in these restricted accounts. At June 30, 2025, the Town had adequately funded the required cash accounts.

<u>2021 Water and Sewer Refunding Bonds</u>

The 2021 Water and Sewer Refunding Bonds, issued on May 18, 2021, are secured by and payable solely from the income and revenues derived or to be derived from the operation of the water system, after provision has been made for the payment of the reasonable and necessary expenses of operating and maintaining the system.

The bond agreement requires that the Town establish certain cash accounts (2021 Water and Sewer Refunding Reserve) and sets forth balances that must be maintained in these restricted accounts. At June 30, 2025, the Town had fully funded the required reserve amounts for the bond agreement.

III. Detail Notes on All Funds and Account Groups

a. Assets

<u>Cash and Investments</u>

Cash includes cash on hand, amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with maturities of 90 days or less. On the Water and Sewer Enterprise Fund Statement of Cash Flows, cash includes the following accounts:

<u>Water & Sewer Fund</u>

Current Assets:	
Cash and Cash Equivalents	$ 450,419
Restricted Assets:	
Construction Accounts	26,407
Customer Deposit	185,165
Sewer Bond Fund Reserves	686,232
Water Bond Fund Reserves	252,469
Cash and Cash Equivalents, end of year	$1,600,692

Under state law, the municipality may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Under state law, the municipality may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their maturities exceed 90 days; however, if the maturities are 90 days or less, they are classified as cash equivalents.

At June 30, 2025, the Town had cash and cash equivalents (book balances) as follows:

Cash, cash equivalents and investments	Unrestricted	Restricted	Total
Petty cash	$ 160	$ -	$ 160
Checking accounts	933,972	1,150,273	2,084,245
Investments	112,635	28,612	141,247
TOTAL	$ 1,046,767	$ 1,178,885	$ 2,225,652

At June 30, 2025:	Cash Equivalents Checking Accounts	Certificates of Deposits	Total
Carrying amount on balance sheet	$ 2,083,785	$ 141,247	$ 2,225,033
Bank balances:	2,213,562	141,247	2,354,810
a: Insured (FDIC) or collateralized with securities held by the entity or its agent in the entity's name	750,000	141,247	891,247
b: Uncollateralized	2,469	-	2,469
c: Collateralized with securities held by pledging financial institution's trust department or agent in the entity's name	-	-	-
d: Uncollateralized securities held for the entity but not in the entity's name	1,461,093	-	1,461,093
Total bank balances	$ 2,213,562	$ 141,247	$ 2,354,809

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

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

Allowance for Uncollectible Accounts

At June 30, 2025, the allowance for estimated uncollectible accounts was $44,818 in the Water and Sewer Enterprise Fund.

Changes in General Governmental Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Construction in progress	$ 1,191,608	$ 418,851	$ (1,221,062)	$ 389,397
Land	787,290	-	(22,705)	764,585
Total capital assets, not being depreciated	$ 1,978,898	$ 418,851	$ (1,243,767)	$ 1,153,982
Capital assets being depreciated				
Buildings & improvements	$ 2,264,144	$ -	$ -	$ 2,264,144
Land improvements	7,577,013	1,579,374	-	9,156,387
Machinery & equipment	815,121	-	-	815,121
Vehicles	478,276	-	-	478,276
Right to use assets	657,858	-	(70,738)	587,120
Total capital assets being depreciated	11,792,412	1,579,374	(70,738)	13,301,048
Less accumulated depreciation for:				
Buildings & improvements	(1,812,475)	(41,220)	-	(1,853,695)
Land improvements	(4,324,492)	(305,182)	-	(4,629,674)
Machinery & equipment	(581,926)	(44,352)	-	(626,278)
Vehicles	(404,772)	(14,063)	-	(418,835)
Right to use amortization	(102,444)	(69,691)	32,920	(139,215)
Total accumulated depreciation	(7,226,109)	(474,508)	32,920	(7,667,697)
Total capital assets being depreciated, net	$ 4,566,303	$ 1,104,866	$ (37,818)	$ 5,633,351

Depreciation and amortization expense charged to Governmental Activates totaled $474,508.

Changes in Proprietary Fund Fixed Assets

A summary of Proprietary Fund Type Property, Plant, and Equipment at June 30, 2025 follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated				
Construction in progress	$ 292,906	$ -	$ -	$ 292,906
Land	101,925	-	-	101,925
Total capital assets, not being depreciated	$ 394,831	$ -	$ -	$ 394,831
Capital assets being depreciated				
Water & wastewater systems	$ 23,567,402	$ 22,500	$ -	$ 23,589,902
Machinery, equipment & vehicles	314,073	79,804	-	393,877
Right to use assets	-	110,293	-	110,293
Total capital assets being depreciated	23,881,475	212,597	-	24,094,072
Less accumulated depreciation for:				
Water & wastewater systems	(11,119,744)	(770,076)	-	(11,889,820)
Machinery, equipment & vehicles	(245,195)	(12,662)	-	(257,857)
Right to use amortization	(20,856)	(22,059)	-	(42,915)
Total accumulated depreciation	(11,385,795)	(804,797)	-	(12,190,592)
Total capital assets being depreciated, net	$ 12,495,680	$ (592,200)	$ -	$ 11,903,480

Depreciation and amortization expense charged to Business-type Activities totaled $804,797.

Capital Assets Acquired Through Leases

Capital Assets acquired through leases are summarized as follows:

Lease assets summary	Capital Asset	Accumulated Amortization
General Fund:		
Vehicles	$ 237,912	$ 237,912
Equipment	227,569	222,241
Right to use	587,120	139,215
Proprietary Fund:		
Equipment	$ 40,965	$ 40,965
Right to use	110,293	42,915

b. Liabilities

Pension and Retirement Plans

Defined Benefit Pension Plans

The employees of the Town of Rayville, Louisiana participate in various cost-sharing multiple-employer public employee retirement systems. The Town's employees participate in the

Municipal Employees' Retirement System of Louisiana ("MERS"), the Municipal Police Employees' Retirement System of Louisiana ("MPERS"), and the Firefighters Retirement System of Louisiana (“FRS”).

Covered employees are required by State statute to contribute a set percent of their salary to the plans. The Town is required by the same statute to contribute the remaining amounts necessary to pay benefits when due. In the current year, the Town's contribution percentage ranged from 28.00% to 35.60%, determined by the plan in which the employee participated. The contribution requirements and payroll for employees covered by the systems are shown in the schedule below.

Years ended June 30	2025	2024	2023	2022	2021
Total payroll	$ 1,341,241	$ 1,315,914	$ 1,392,301	$ 1,331,295	$ 1,332,436
Total covered payroll	1,089,740	1,057,095	1,123,038	1,034,197	1,022,511
Employee contributions	95,150	94,168	110,785	101,476	98,938
Town contributions	335,752	334,581	340,296	308,784	318,009

Employee eligibility, vesting of benefits, the pension benefit obligation contribution requirements and other actuarial and historical trend information on the MERS, MPERS, and FRS can be obtained from the audit reports of each plan which are available for public inspection.

<u>Municipal Employees’ Retirement System of Louisiana</u>

The Municipal Employees’ Retirement System of Louisiana (MERS) is the administrator of a cost-sharing multiple-employer defined benefit pension plan. MERS was established and provided for by R.S.11:1731 of the Louisiana Revised Statutes (LRS).

MERS provides retirement benefits to employees of all incorporated villages, towns, and cities within the State which do not have their own retirement system, and which elect to become members of MERS. Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Retirement provisions are authorized within Act 356 of the 1954 regular session and amended by LRS 11:1756 – 11:1785. MERS provides retirement benefits, survivor benefits, DROP benefits, and disability benefits.

Benefits are calculated based on a percentage of the member’s monthly average final compensation and the member’s years of creditable service. MERS is authorized to grant a cost of living increase to members. The adjustment cannot exceed 2% of the retiree’s original benefit for each full calendar year since retirement. An additional cost of living increase is allowed for certain retirees.

Contributions for all members are established by statue. According to state statute, contributions for all employers are actuarially determined each year. For the year ended June 30, 2024, the combined contributions rate (employer and employee) contribution was 39.50%. The system also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income are used as additional employer contributions and considered support from non-employer contributing entities.

Actuarially determined amounts regarding the net pension liability are subject to continual revision as actual results are compared to past expectations, and new estimates are made about the future. The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period from July 1, 2018 through June 30, 2023. Key information on the actuarial valuation and assumptions is as follows:

Valuation date	June 30, 2024
Actuarial cost method	Entry Age Normal
Expected remaining service lives	3 years
Investment rate of return	6.85%
Inflation Rate	2.50%
Mortality	Rates based on the Pub(G)-2010(B)and PubNS-2010(B) tables
Salary increases	
1-2 years of service	9.00%
More than 2 years of service	4.40%

Discount Rate

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

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

Asset Class	Target Asset Allocation	Expected Portfoli Real Rate of Retu
Public equity	56.00%	2.44%
Public fixed income	29.00%	1.26%
Alternatives	15.00%	0.65%
Totals	100.00%	4.35%
Inflation		2.50%
Expected arithmetic nominal return		6.85%

The discount rate used to measure the total pension liability was 6.85% for the year ended June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee (PRSAC). Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

As of the valuation date of June 30, 2024, MERS Plan A reported the following members:

Inactive plan members or beneficiaries receiving benefits	3,813
Inactive plan members entitled to but not yet receiving Benefits	4,234
Active plan members	4,409
Total participants as of the valuation date	12,456

The Town's Deferred Outflow of Resources (employer's contributions subsequent to the measurement date) to MERS was $188,587.

MERS used the accrual basis of accounting in preparing the financial statements. The plan's fiduciary net position has been determined using the same basis of accounting as that used in the MERS financial statements. MERS issued a stand-alone audit report on its financial statements. Access to the audit report can be found on MERS's website: or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

Municipal Police Employees' Retirement System

The Municipal Police Employees' Retirement System (MPERS) is the administrator of a cost-sharing multiple-employer defined-benefitplan. Membership in MPERS is mandatory for any full-time police officer employed by a municipality of the State of Louisiana. MPERS provides retirement benefits for municipal police officers and survivor benefits. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211 – 11:2233.

Benefits are calculated based on a percentage of the member's monthly average final compensation and the member's years of creditable service. MPERS is authorized to grant a cost of living increase to members. The adjustment is computed on the amount of the current benefit, not to exceed 3% in any given year. An additional cost of living increase is allowed for certain retirees.

Contributions for all members are actuarially determined as required by state law but cannot be less than 10% of the employees' earnable compensation excluding overtime but including state supplemental pay. For the year ended June 30, 2024, total contributions due for employers and employees were 43.925%. MPERS also receives insurance premium tax monies as additional employer contributions.

The actuarial assumptions used in the June 30, 2024 actuarial valuation were based on the results of an actuarial experience study for the period of July 1, 2014 through June 30, 2019. Key information on the actuarial valuation and assumptions is as follows:

Valuation date	June 30, 2024
Actuarial cost method	Entry Age Normal
Estimated remaining service lives	4 years
Investment rate of return	6.75% net of investment expense
Inflation Rate	2.50%
Salary increases	4.70% to 12.30%
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees

Discount Rate

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

Asset Class	Target Allocation	Long Term Expected Portfolio Real Rate of Return
Equity	52.00%	3.14%
Fixed Income	34.00%	1.07%
Alternative	14.00%	1.03%
Totals	100.00%	5.24%
Inflation		2.62%
Expected arithmetic return		7.86%

The discount rate used to measure the total pension liability was 6.75%. 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.

As of the valuation date of June 30, 2024, MPERS reported the following members:

Active participants	5,419
DROP participants	217
Retired	5,134
Terminated due a Deferred Benefit	264
Terminated due a refund	2,707
Total participants as of the valuation date	13,741

The Town's Deferred Outflow of Resources (employer's contributions subsequent to the measurement date) to MPERS was $127,957.

MPERS used the accrual basis of accounting in preparing the financial statements. The plan's fiduciary net position has been determined using the same basis of accounting as that used in the MPERS financial statements. MPERS issued a stand-alone audit report on its financial statements. Access to the audit report can be found on MPERS's website: www.lampers.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

Firefighters' Retirement System

The Firefighters' Retirement System (FRS) is the administrator of a cost-sharing multiple-employer plan. Membership in FRS is a condition of employment for any full-time firefighters who earn more than $375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251 – 11:2272. Benefits are calculated based on a percentage of the member's monthly average final compensation and the member's years of creditable service.

Employer contributions are actuarially determined each year. For the year ended June 30, 2024, the combined (employer and employee) rate was 43.25%. FRS also receives insurance premium tax monies as additional employer contributions.

The actuarial assumptions used for the June 30, 2024 valuation are based on an actuarial study completed September 24, 2020, for the period July 1, 2014 through June 30, 2019. Key information on the actuarial valuation and assumptions is as follows:

Valuation date	June 30, 2024
Actuarial cost method	Entry Age Normal

Investment rate of return	6.90% net of investment expense
Expected Remaining Service Life	7 years
Inflation Rate	2.50%
Salary increases	5.20% to 14.10%
Cost of Living Adjustments	Only those previously granted

Discount Rate

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by the target asset allocation percentage and by adding expected inflation, 2.50%. Best estimates of arithmetic real rates of return for each major class includes in the System's target asset allocation as of June 30, 2024, are summarized in the following table:

Asset Type	Target Asset Allocation	Long-Term Expected Real Rate of Return
Equity	54.00%	6.24% - 8.26%
Fixed income	30.00%	2.00% - 4.05%
Alternatives	16.00%	4.85% - 9.77%
	100.00%	

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates, and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined rates approved by the Board of Trustees and by the Public Retirement Systems' Actuarial Committee taking into consideration the recommendation of the System's actuary. Based on these 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.

As of the valuation date of June 30, 2024, FRS reported the following members:

Active participants	4,590
DROP participants	194
Retired	2,857
Terminated due a Deferred Benefit	130
Terminated due a refund	1,140
Total participants as of the valuation date	8,911

The Town's Deferred Outflow of Resources (employer's contributions subsequent to the measurement date) to FRS was $19,208.

FRS used the accrual basis of accounting in preparing the financial statements. The plan's fiduciary net position has been determined using the same basis of accounting as that used in the FRS financial statements. FRS issued a stand-alone audit report on its financial statements. Access to the audit report can be found on FRS's website: www.ffret.com or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

ALL RETIREMENT SYSTEMS
ACTUARIAL DATE AND MEASUREMENT DATE: JUNE 30, 2024

		MERS	MPERS	FRS	Total Systems
Projected required combined contributions		187,550	123,494	22,925	333,969
Employer allocation percentage		31.21%	10.33%	2.40%	
Net pension liability		878,215	935,559	135,095	1,948,869
Deferred outflows					
Differences between expected & actual experience			50,654	10,143	60,797
Net Differences between projected & Actual Earnings		11,826	26,008	1,367	39,201
Changes in assumptions				5,779	5,779
Changes in proportion & differences between the employer's contributions and the employer's share of contributions		11,659	38,077	3,101	52,837
Contributions subsequent to measuring date		188,587	127,957	19,208	335,752
Total deferred outflow		212,072	242,696	39,598	494,366
Deferred Inflows					
Differences between expected & actual experience		29,074	28,301	3,213	60,588
Net differences between projected & actual earnings			-	-	-
Changes of assumptions		5,185	-	-	5,185
Changes in proportion & differences between the employer's contributions and the employer's share of contributions		67,746	58,892	16,763	143,401
Total deferred Inflows		102,005	87,193	19,976	209,174
Pension expense					
Proportionate share of plan pension expense		95,568	159,160	25,099	279,827
Net amortization of deferred amounts from changes in pr		(28,780)	34,858	(9,107)	(3,029)
Total employer pension expense		66,788	194,018	15,992	276,798
Proportionate share					
Employer contributions		188,613	123,700	22,972	335,285
Non-employer contributions		25,542	26,860	7,481	59,883
Schedule of net pension liability					
Sensitivity to change in discount rate					
Employer's proportionate share		31.21%	10.33%	2.40%	
1% Decrease		1,322,462	1,389,749	224,286	2,936,497
1% Increase		503,194	556,398	60,701	1,120,293
Amortization schedule - net deferred outflows & inflows					
	2025	(52,626)	18,241	(6,588)	(40,973)
	2026	26,169	68,605	14,930	109,704
	2027	(30,259)	(42,905)	(4,525)	(77,689)
	2028	(21,803)	(16,395)	(3,417)	(41,615)
	2029	-	-	116	116
	2030	-	-	(102)	(102)
		(78,519)	27,546	414	(50,559)

1. COMPENSATED ABSENCES

Accumulated unpaid sick pay and comp pay are accrued when incurred in proprietary and governmental funds.

At June 30, 2025, the recorded accruals in the General Fund and the Water and Sewer Fund were as follows:

General Fund	$ 67,680
Water and Sewer Fund	15,157
Total	$ 82,837

These amounts do not exceed a normal year's accumulations.

2. LONG-TERM DEBT

(a) Description of Long-Term Debt
Bonds and Notes Payable at June 30, 2025, are comprised of the following issues:

Revenue Bonds	Outstanding Principal
4,015,000 Waste Water Bonds due in monthly payments through September 2052. Interest rate 2.125%	3,125,710
4,275,000 2021 Water and Sewer Refunding Bonds due in annual payments through December 2051. Term interest rate 1%-3.250%	3,915,000

All above revenue bonds are being serviced - principal and interest by the Water and Sewer Fund.

(b) Changes in Debt (Principal Only)

The following is a summary of debt transactions for each fund of the Town for the fiscal year ended June 30, 2025.

Proprietary Debt	Revenue Bonds USDA WWTP	Direct Borrowings 2021 Refund	Unamortized OID	Totals
Payable at July 1, 2024	$ 3,210,087	$ 4,020,000	$ (82,517)	$ 7,147,570
OID Amortized	-	-	3,056	3,056
Loans/Liability Retired	(84,377)	(105,000)	-	(189,377)
Payable at June 30, 2025	$ 3,125,710	$ 3,915,000	$ (79,461)	$ 6,961,249

	Other Liabilities: Compensated Absences	Other Liabilities: Lease Obligations
Payable at July 1, 2024	$ 14,085	$ -
New Loans/Liability Issued	1,072	93,372
Loans/Liability Retired	-	(22,191)
Payable at June 30, 2025	$ 15,157	$ 71,181

(b) Changes in Debt (Principal Only) (continued)

	Governmental Debt			
	Direct Borrowings		Other Liabilities	
	Police Vehicle	Totals	Compensated Absences	Lease Obligations
Payable at July 1, 2024	$ 4,213	$ 4,213	$ 66,409	$ 552,132
New Lease/Liability Issued	-	-	1,271	-
Capital Lease/Liability Retired	(4,213)	(4,213)	-	(90,995)
Payable at June 30, 2025	$ -	$ -	$ 67,680	$ 461,137

(c) Changes in Short-Term Debt (Principal Only)

The following is a summary of debt transactions of the Town for the fiscal year ended June 30, 2025.

	Governmental			Proprietary			
	Direct Borrowings	Other Liabilities		Revenue Bonds		Other Liabilities	
	Capital Leases/Loans	Compensated Absences	Lease Obligations	USDA WWTP	2021 W&S Refund	Lease Obligations	Compensated Absences
Payable at July 1, 2024	$ 4,213	$ 66,409	$ 48,939	$ 84,377	$ 105,000	$ -	$ 14,085
Loans Retired	(4,213)	(66,409)	(48,939)	(84,377)	(105,000)	(22,191)	(14,085)
New Loans/Leases						22,191	
Allocation of Long-Term Debt	-	67,680	59,393	86,188	105,000	21,768	15,157
Payable at June 30, 2025	$ -	$ 67,680	$ 59,393	$ 86,188	$ 105,000	$ 21,768	$ 15,157

(d) Net Pension Liability

Based on the various retirement systems' reports, (See Note III.B.1) the Town has reported on the government-wide statements the following as long-term liabilities:

General Fund Net Pension Liability	$1,483,449
Water and Sewer Fund Net Pension Liability	465,420
	$1,948,869

(e) Summary of Debt Service Requirements to Maturity

The annual requirements to maturity, including principal and interest, as of June 30, 2025, are as follows:

Year Ending June 30	Proprietary Debt Revenue Bonds WWTP	2021 W&S Refund	W&S Totals
2026	$ 151,776	$ 220,763	$ 372,539
2027	151,776	219,223	370,999
2028	151,776	217,518	369,294
2029	151,776	215,648	367,424
2030	151,776	218,491	370,267
2031-2035	758,880	1,083,465	1,842,345
2036-2040	758,880	1,088,238	1,847,118
2041-2045	758,880	1,084,244	1,843,124
2046-2050	758,880	1,081,875	1,840,755
2051-2055	321,358	218,225	539,583
Total Principal & Interest	4,115,758	5,647,690	9,763,448
Less Interest	990,048	1,732,690	2,722,738
Principal Due as of June 30, 2025	$ 3,125,710	$ 3,915,000	$ 7,040,710

(f) Net Carrying Value of 2021 Water & Sewer Refunding Bonds

The 2021 Water and Sewer Refund Bonds were issued at a discount of $91,686. The discount is being amortized over the life of the loan as a component of interest expense. For the year ended June 30, 2025, $3,056 of the discount was amortized. The net carrying value of the debt is:

Debt Principal	$3,915,000
Discount on Issuance	(79,461)
Net Carrying Value of Debt	$3,835,539

(g) Term Interest Rates on 2021 Water and Sewer Refunding

The interest rate for the 2021 Water and Sewer Refunding Bonds will vary based on the terms of the bonds. The debt is divided into six terms:

Start of Term	Maturity	Type of Bond	Coupon %	Yield %	Maturity Value
12/2/2024	12/1/2026	Term 2 Coupon	1.40%	1.50%	$ 220,000
12/2/2026	12/1/2028	Term 3 Coupon	1.70%	1.80%	220,000
12/2/2028	12/1/2031	Term 4 Coupon	2.13%	2.25%	350,000
12/2/2031	12/1/2041	Term 5 Coupon	3.25%	2.50%	1,410,000
12/2/2041	12/1/2050	Term 6 Coupon	3.00%	3.25%	1,715,000
Total					$ 3,915,000

3. LEASES

The Town has implemented GASB Statement No. 87, Leases. Leases are accounted for under the requirements of GASB Statement No. 87 over the remaining life of the lease.

On June 25, 2021, the Town signed a contract with Wells Fargo Financial for the right to use a new copier for the Police Department. The contract has monthly payments of $182 for 48 months. The lease was terminated in the current year and replaced with a twelve month lease. The original lease was terminated prior to its stated expiration, resulting in a gain on termination of approximately $135, and the agreement was replaced with a new 12-month lease accounted for as an operating lease.

On July 1, 2021, the Town signed a contract with CIT Bank, N.A., for the right to use a new copier for the Administrative Department. The contract has monthly payments of $193 for 48 months. The lease was noncancelable and contains an option to purchase the equipment at fair market value at the end of the lease. The total value of the right to use the equipment and the lease obligation was $8,395 calculated at present value using a 5% incremental borrowing rate as of July 1, 2021. The original lease was terminated prior to its stated expiration, resulting in a gain on termination of approximately $167, and the agreement was replaced with a new 12-month lease accounted for as an operating lease.

On August 19, 2022, The Town signed a contract with GM Financial for the right to use a truck for the Streets Department. The total contract price was $54,407. The contract has monthly payments of $1,064 for 60 months. The lease is noncancelable and contains options to purchase at stated values during the life of the lease contract. The total value of the right to use the truck and the lease obligation was $54,407, with a stated interest rate of 6.693%. This lease was transferred to the Proprietary Fund Water department as of July 1, 2024. Payments under this lease totaled $12,762 for the year ended June 30, 2025. Of those lease payments $10,743 was allocated to the principal of the lease obligation and $2,019 was allocated to related interest expense. In addition, the amortization of the right to use the leased truck was $10,881 for the current year. These amounts are included in the statement of activities.

On September 1, 2022, the Town signed a contract with Central Tax Exempt Investments, LLC for the right to use a fire truck for the Fire Department. The total contract price was $358,000, and the Town paid $25,000 at signing. The remaining balance of $333,000 will be paid in annual payments of $31,086 for 15 years. The lease is noncancelable and contains an option to purchase the equipment for $1 at the end of the lease term. The total value of the right to use the fire truck and the lease obligation was $358,000, with a stated interest rate of 4.5%. Payments under this lease totaled $31,086 for the year ended June 30, 2025. Of those lease payments $16,703 was allocated to the principal of the lease obligation and $14,383 was allocated to related interest expense. In addition, the amortization of the right to use the leased fire truck was $23,867 for the current year. These amounts are included in the statement of activities.

On December 1, 2023, and January 1, 2024, the Town signed contracts with Enterprise Fleet Management, Inc for the right to use four police vehicles for the Police department. The total price of all four contracts was $229,121. The total monthly payments are $4,530 for 60 months. The leases are noncancelable and do not contain the provisions for purchasing the vehicles at the end of the lease. The total value of the right to use the police vehicles was $229,121 with nominal interest rates between 8.375% and 8.902%. Payments under these leases totaled $45,297 for the year ended June 30, 2025. Of those lease payments $32,237 was allocated to the principal of the lease obligation and $13,060 was allocated to interest. In addition, the combined amortization of the right to use the leased police vehicles was $45,824 for the current year. These amounts are included in the statement of activities.

On July 17, 2024, the Town signed a new contract with Delage Landen for the right to use a truck for the Proprietary fund Sewer Department. The total contract price was $55,886. The terms were 60 monthly payments of 1,122. The total value of the right to use the truck and the lease obligation was $55,886, with a stated interest rate of 7.58%. Payments under this lease totaled $12,706 for the year ended June 30, 2025. Of those lease payments $11,447 was allocated to the principal of the lease obligation and $1,259 was allocated to related interest expense. In addition, the amortization of the right to use the leased truck was $11,177 for the current year. These amounts are included in the statement of activities.

The following schedule presents future minimum lease payments and the related reduction of the lease liability, including the portion representing interest, as of June 30, 2025:

Operating Leases

	Lease Principal	Interest Expense	Total Minimum Lease Payments
2026	$ 81,161	$ 30,506	$ 111,667
2027	87,350	24,317	111,667
2028	84,267	17,828	102,095
2029	54,031	12,021	66,052
2030	20,867	10,219	31,086
2031-2035	119,394	36,036	155,430
2036-2040	85,248	8,009	93,257
Totals	$ 532,318	$ 138,936	$ 671,254

C. INTERFUND RECEIVABLES AND PAYABLES

All routine operating disbursements are made from a Clearing Account Cash Account that is part of the General Fund. Each fund reimburses the Clearing Account for its share of disbursements.

During the fiscal year, the General Fund received an operating transfer of $95,263 from the Industrial Park Fund, paid from the proceeds of a sale of land.

The ARPA Fund paid $102,304 in America Rescue Plan grant funds to the Water and Sewer fund for projects and $81,813 in repairs expenses. The ARPA fund also transferred . The Water and Sewer Fund paid $130,000 in garbage fees to the General Fund. The Water and Sewer Fund paid $1,200 to the Capital Projects Fund for construction in progress.

Internal balances are reported as current assets and current liabilities in the Governmental Activities and Business-Type Activities columns in the Statement of Net Position, respectively, and are eliminated in the Total Primary Government column in accordance with *GASB 34.* At the end of the fiscal year, the Water and Sewer Fund owed $337,656 in garbage revenue and operating expenses to the General Fund. The balance is expected to be paid within the next fiscal year.

D. ON BEHALF OF PAYMENTS FOR SALARIES AND PENSION EXPENSE

Included in the General Fund financial statements are amounts paid by the State of Louisiana as supplemental salaries to the Town's policemen and firemen. The payments of $63,380 are included on the financial statement as Intergovernmental Revenue and Public Safety Expenditures. The Government wide statements also report the Non-Employee Pension Contribution paid by the State from insurance tax monies in the amount of $59,883. The contribution is included in Intergovernmental revenue and pension expenditures.

IV. Financial Statement Presentation

A. SALES TAX

The Town's sales tax is composed of two parts. One part is a permanent ½ percent sales tax. The other part is a 1 percent sales tax for a ten-year period. The one percent sales tax was included on the April 2013 ballot and was renewed for a ten-year term to begin on July 1, 2013 and was renewed on January 1, 2024. The 1 percent sales tax is due to expire June 1, 2034

As required by Louisiana Law R.S. 33:2844, the sales and use tax collection was centralized within each parish beginning July 1, 1992. The Town of Rayville, in conjunction with the other parish taxing authorities, voted to establish a Richland Parish Tax Commission to serve as the collecting agency. The Richland Parish Tax Commission submits its annual audited financial statements which are a matter of public record.

B. INTEREST EXPENSE PAID

Interest reported as a non-operating expense in the Water and Sewer Enterprise Fund of $188,632 included accrued interest of $5,584. Interest expense allocated in the Governmental Fund was $28,987.

V. Prior Period Adjustments and Restatements of Fund Balance

During the year ended June 30, 2025, the Town determined that certain fines and fees had previously been recorded as revenue in the governmental funds although they did not meet the modified accrual criterion of availability. As a result, revenue reported in prior periods was overstated. A prior-period adjustment of $103,898 was recorded to reduce beginning fund balance and properly reflect the amount of fines that were not available as of June 30, 2024. This adjustment will be reflected as well to the net position of governmental activities.

The Town also reviewed its reporting of compensated absences and concluded that the full long-term compensated absences liability had been reported in the governmental fund financial statements in prior periods. Under the modified accrual basis of accounting, only those amounts that are due and payable at year-end should be reported as governmental fund liabilities.

Because no such amounts were identified, beginning fund balance was increased by $66,409 to remove the long-term compensated absences liability from the governmental fund statements. This adjustment did not affect the government-wide financial statements, which continue to report the full compensated absences liability on the accrual basis of accounting.

Schedule of Restated Beginning Fund Balance – General Fund

Beginning Fund Balance, July 1, 2024	$567,751
Restatement for unavailable revenues	(103,898)
Restatement for Compensated Absences liability	66,409
Restated Beginning Fund Balance, July 1 ,2024	$530,262

VI. Special Item – Sale of Land

During the year, the Town sold land that had been held for economic development purposes. The decision to sell the property was within the control of Town management and is considered infrequent in nature for the Town. The Town received proceeds of $95,263 from the sale, resulting in a gain of $72,558, which is reported as a special item in the Statement of Activities and in the governmental fund financial statements.

VII. Commitments & Contingencies

The Town is involved in potential litigation that management does not believe will have a material impact on the financial statements.

Through a Co-operative Endeavor with the State of LA, the Town has planned a project to construct new water service facilities. The total project budget is $27,926,690 and consists of several small projects. The funding that has been committed includes $2,000,000 in state funding and $2,000,000 in loans to the Town. As of June 30, 2025, two of the projects have been completed for $856,490 in state funding and one other project has been started for $238,400 in state funding. The total amount of state funding used is $1,094,890.

VIII. Risk of Loss

The Town is exposed to a variety of risks that may result in losses. These risks include possible loss from acts of God, injury to employees, property damage, or breach of contract. The Town finances these potential losses through purchasing insurance from several commercial companies. The level of coverage has remained constant. The Town is not a member of a risk pool. All claims currently filed are adequately covered by the policies in place with no outstanding liabilities expected for the Town.

IX. Compensation Paid to Governing Body

Louisiana Revised Statute 24:513(A)(3) requires disclosure of compensation, benefits, and reimbursements paid to elected officials. During the year ended June 30, 2025, the Town provided salary, employer-paid benefits, and travel or other reimbursements to its elected officials as summarized in the table below. Amounts include payments made directly to officials as well as payments made on their behalf.

Official	Salary	Employer-Paid Benefits	Travel & Other Reimbursements	Total
Mayor Harry Lewis	$ 67,548	$ 30,970	$ 3,838	$ 102,356
Police Chief Marcus Turner	67,682	34,358	3,421	105,461
Aldermen:				
Paula Cumpton	4,800	392	1,862	7,054
Joseph Fletcher	4,800	429	1,862	7,091
Jerry Gordon	4,800	392	1,862	7,054
Consuela Hunter	4,800	429	1,862	7,091
Debra James	4,800	429	1,862	7,091

X. Subsequent Events

Management of the Town of Rayville has evaluated subsequent events through April 23, 2026, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

TOWN OF RAYVILLE
RAYVILLE LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Original/ Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Favorable/ (Unfavorable)
Revenues:			
Taxes	$ 2,165,300	$ 2,970,272	$ 804,972
Licenses and permits	188,500	202,538	14,038
Intergovernmental	504,540	1,097,169	592,629
Charges for services	384,000	459,866	75,866
Fines and forfeits	155,700	101,768	(53,932)
Interest	1,000	1,972	972
Other	67,000	98,834	31,834
Total revenues	3,466,040	4,932,419	1,466,379
Expenditures:			
Current:			
General government	1,058,720	1,090,063	(31,343)
Police	1,064,160	1,034,278	29,882
Fire	216,450	238,936	(22,486)
Highways & streets	612,960	728,560	(115,600)
Sanitation	380,000	487,478	(107,478)
Recreation	46,860	65,014	(18,154)
Airport	24,000	15,649	8,351
Capital outlay	307,200	776,964	(469,764)
Total expenditures	3,710,350	4,436,942	(726,592)
Excess (deficiency) of revenues over (under) expenditures	(244,310)	495,477	739,787
Operating transfers in (out)			
Water and sewer fund	250,000	144,173	(105,827)
Total other financing sources and Uses	250,000	144,173	(105,827)
Excess (deficiency) of revenues and other sources over expenditures and other uses	5,690	639,650	633,960
Fund balances - beginning, restated	-	530,262	530,262
Fund balances - ending	$ 5,690	$ 1,169,912	$ 1,164,222

TOWN OF RAYVILLE
RAYVILLE LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Original/ Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Favorable/ (Unfavorable)
Revenues:			
Interest	$ 50	$ 406	$ 356
Total revenues	50	406	356
Expenditures:			
Capital outlay	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	50	406	356
Other financing sources (uses)			
Sale of capital assets	-	95,263	95,263
Operating transfers in (out)	-	(95,263)	(95,263)
Total other financing sources and uses	-	-	-
Excess (deficiency) of Revenues and other sources Over expenditures and other uses	50	406	356
Fund balances - beginning	-	43,695	43,695
Fund balances - ending	$ 50	$ 44,101	$ 44,051

TOWN OF RAYVILLE
RAYVILLE, LOUISIANA
SCHEDULE OF REQUIRED CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2025

Plan Year	Contractually required contribtuion	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Town's covered employee payroll	Contributions as a percentage of covered-employee payroll
Municipal Employees' Retirement System of Louisiana					
2016	101,807	101,807	-	515,327	19.76%
2017	122,708	122,708	-	539,372	22.75%
2018	135,518	135,518	-	547,545	24.75%
2019	158,375	158,375	-	609,105	26.00%
2020	183,147	183,147	-	659,989	27.75%
2021	194,872	194,872	-	660,645	29.50%
2022	187,504	187,504	-	635,571	29.50%
2023	202,664	202,664	-	686,996	29.50%
2024	188,162	188,162	-	624,128	30.15%
2025	188,587	188,587	-	670,547	28.12%
Municipal Police Employees' Retirement System					
2016	111,161	111,161	-	375,980	29.57%
2017	117,079	117,079	-	368,707	31.75%
2018	70,069	70,069	-	227,866	30.75%
2019	82,087	82,087	-	254,533	32.25%
2020	84,995	84,995	-	261,522	32.50%
2021	102,873	102,873	-	305,920	33.63%
2022	98,589	98,589	-	331,392	29.75%
2023	114,878	114,878	-	367,609	31.25%
2024	123,484	123,484	-	364,020	33.92%
2025	127,957	127,957	-	359,426	35.60%
Firefighters' Retirement System					
2016	22,694	22,694	-	79,365	28.59%
2017	21,084	21,084	-	79,321	26.58%
2018	20,883	20,883	-	86,929	24.02%
2019	17,062	17,062	-	63,819	26.73%
2020	17,526	17,526	-	63,156	27.75%
2021	20,265	20,265	-	62,836	32.25%
2022	22,691	22,691	-	67,234	33.75%
2023	22,754	22,754	-	68,433	33.25%
2024	22,925	22,925	-	68,947	33.25%
2025	19,208	19,208	-	59,767	32.14%

Schedule is intended to show information for 10 years.
Additional years will be presented as they become available.

TOWN OF RAYVILLE
RAYVILLE, LOUISIANA
SCHEDULE OF PROPORTIONAL SHARE OF NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2025

Plan Year	Town's proportion of the Net Pension Liability %	Town's Proportionate share of the Net Pension Liability	State's proportionate share of the NetPension Liability associated with the Town	Total	Town's Covered employee payroll	Town's proportionate share of the Net Pension Liability as a percentage of its covered employee payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
Municipal Employees' Retirement System of Louisiana							
2015	0.284273	1,015,468	-	1,015,468	515,327	197.05%	66.18%
2016	0.285660	1,182,749	-	1,182,749	539,372	219.28%	62.11%
2017	0.297002	1,242,485	-	1,242,485	547,545	226.92%	62.49%
2018	0.299991	1,241,831	-	1,241,831	609,105	203.88%	62.49%
2019	0.329050	1,374,989	-	1,374,989	659,989	208.34%	64.68%
2020	0.345305	1,492,895	-	1,492,895	660,645	225.98%	64.52%
2021	0.333600	927,909	-	927,909	635,571	146.00%	77.82%
2022	0.331624	1,377,312	-	1,377,312	686,996	200.48%	69.56%
2023	0.034181	1,249,269	-	1,249,269	624,128	200.16%	72.46%
2024	0.312088	878,215	-	878,215	670,547	130.97%	80.10%
Municipal Police Employees' Retirement System							
2015	0.117404	919,738	-	919,738	375,980	244.62%	70.73%
2016	0.135295	1,268,095	-	1,268,095	368,707	343.93%	66.04%
2017	0.123337	1,268,095	-	1,268,095	227,866	556.51%	70.08%
2018	0.077213	685,763	-	685,763	254,533	269.42%	70.08%
2019	0.081526	740,393	-	740,393	261,522	283.11%	71.01%
2020	0.084683	782,668	-	782,668	305,920	255.84%	70.94%
2021	0.094092	501,562	-	501,562	331,392	151.35%	84.09%
2022	0.114278	1,168,124	-	1,168,124	367,609	317.76%	70.80%
2023	0.108515	1,146,458	-	1,146,458	364,020	314.94%	71.30%
2024	0.103263	935,559	-	935,559	359,426	260.29%	75.84%
Firefighters' Retirement System							
2015	0.038839	209,618	-	209,618	79,365	264.12%	72.45%
2016	0.034032	222,600	-	222,600	79,321	280.63%	68.15%
2017	0.035762	204,982	-	204,982	86,929	235.80%	73.55%
2018	0.033099	190,388	-	190,388	63,819	298.32%	73.55%
2019	0.026406	165,352	-	165,352	63,156	261.82%	73.96%
2020	0.025368	175,840	-	175,840	62,836	279.84%	72.61%
2021	0.025052	88,781	-	88,781	67,234	132.05%	86.78%
2022	0.026096	184,011	-	184,011	68,433	268.89%	74.68%
2023	0.025482	166,316	-	166,316	68,947	241.22%	77.69%
2024	0.023993	135,095	-	135,095	59,767	226.04%	81.68%

The State makes required contributions to the various retirement systems.
The State's share of the Net Pension Liability is not stated.

Schedule is intended to show information for 10 years. Additional years will be presented as they become available.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF RAYVILLE
RAYVILLE LOUISIANA
JUSTICE SYSTEM FUNDING SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025

Line item	Amounts for 07/01/2024 – 12/31/2024	Amounts for 01/01/2025 – 06/30/2025
1. Beginning cash balance	$ -	$ -
2. Collections		
Bond fees	720	785
Criminal fines – other/non-contempt	56,091	47,748
Total collected	56,811	48,533
3. Collections retained by the Town of Rayville		
Bond fees	720	785
Criminal fines – other/non-contempt	52,965	45,950
Total collections retained	53,685	46,735
4. Total amounts disbursed to individuals/entities	-	-
5. Total disbursements to other governments & nonprofits		
Louisiana Comission on Law enforcement, Criminal Fines - other	1,359	922
Treasurer, State of Louisiana - CMIS, Criminal Fines - other	1,767	876
6. Total amounts disbursed/retained	56,811	48,533
7. Ending cash balance	-	-
8. Ending balance of “partial payments” collected but not disbursed	-	-
9. Other information		
Ending balance of amounts assessed but not yet collected	-	139,508
Total waivers during the period	-	-

OTHER REPORTS

PREMIER PLAZA
1900 N. 18TH STREET, SUITE 300 | MONROE, LOUISIANA 71201
318.388.3108 (P) | 318.429.2124 (F)

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*

Honorable Harry Lewis, Mayor
Members of the Town Council
Town of Rayville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, and each major fund of the Town of Rayville, Louisiana (the Town), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated April 23, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2025-01, that we consider to be a material weakness.

Honorable Harry Lewis, Mayor
Members of the Town Council
Town of Rayville, Louisiana

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2025-02, 2025-03, 2025-04, and 2025-05.

Town of Rayville, Louisiana's Response to Findings

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

Purpose of this Report

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

Heard, McElroy & Vestal, LLC

Monroe, Louisiana
April 23, 2026

Section I - Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the Town of Rayville, Louisiana.

2. One material weakness relating to the audit of the basic financial statements is reported.

3. Four instances of noncompliance relating to the basic financial statements of the Town of Rayville, Louisiana were disclosed during the audit.

4. No federal single audit was required under the Uniform Guidance relating to the financial statements of the Town of Rayville, Louisiana.

Section II - Financial Statement Findings

2025-01 Inadequate Segregation of Duties

Criteria: Good internal control procedures require that an entity separate certain duties by personnel

Condition: The Town of Rayville does not have an adequate segregation of employee duties for effective internal control.

Cause: The size of the Town of Rayville and the limited number of employees does not permit an adequate segregation of employee duties for effective internal control.

Effect: The Town may be at higher risk of errors, fraud, waste, and abuse. Transactions may lack proper authorization or documentation.

Recommendation: Management should make an effort to improve the Town's internal control system so that it is properly designed, implemented, and monitored.

Management's Response: Management acknowledges the risk and notes that due to the small size of the organization and limited personnel, complete segregation of duties is not feasible. However, all accounting activities, including journal entries and reconciliations, are subject to regular review and oversight by the board to provide compensating control. Management will continue to assess and enhance oversight procedures where possible.

2025-02 Unfavorable Budget Variance

Criteria: Louisiana Revised Statute 39:1311 requires the Town to amend its budget if there is a 5% or greater shortage in actual revenues as compared to budgeted revenues or a 5% or greater overage in actual expenditures as compared to budgeted expenditures.

Condition: The Town's actual expenditure exceeded the budgeted revenues by greater than 5%.

Cause: The town failed to monitor and amend the budget.

Effect: The Town is not in compliance with state budget law and may be unable to accurately plan for and utilize its financial resources.

Recommendation: The town should monitor expenditures more closely and amend the budget as necessary to keep the budget in compliance with budget law.

Management's Response: Management will closely monitor revenue and expenditures and amend the budget as needed.

2025-03 Compliance with Annual Filing Deadline

Criteria: Louisiana Revised Statute 24:513 requires that all local auditees submit their audited financial statements to the Louisiana Legislative Auditor (LLA) no later than six months after their fiscal year end.

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

Cause: The Town did not complete the preparation of the accounting records in adequate time to perform the audit prior to the deadline.

Effect: The Town is not in compliance with the state statute which could prevent the Town from receiving state and federal funds and delay the resolution of any compliance issues and findings identified by the audit.

Recommendation: The Town should work with its outside accounting firm to get the financial information ready earlier so that it can be submitted to the Legislative Auditor in a timely manner.

Management's Response: Management will work with consulting accountant to prepare the year end close documentation, and provide the closing documentation to the Audit firm sooner.

2025-04 Misappropriation of Police Department Assets and Fraudulent Solicitation of Community Donations

Criteria: The Town should safeguard all public assets (including firearms and cash donations), maintain accurate records of those assets, and implement controls to prevent and detect fraud, theft, and malfeasance by employees.

Condition: In 2025, Louisiana State Police began an investigation of an assistant police chief allegedly removing and selling department firearms and fraudulently soliciting monetary donations from community members for fictitious crime prevention programs. The investigation by the State Police is still ongoing and the monetary value of the theft is unknown.
Cause: The town did not have adequate safeguards and controls over police department assets.

Effect: These control weaknesses allowed the loss of public assets, potential misstatement of financial records, increased safety and legal risks from unaccounted-for firearms, and reputational damage to the Town and Police Department.

Recommendation: The town should strengthen its controls over police inventory and physical security of police department assets. Regular inventory checks should be performed. The town should also create a policy for donations and communicate this policy and approved donation channels to the public.

Management's Response: The town will create stricter controls to safeguard police assets and work to educate the public about the legitimate programs that the town is operating.

2025-05 Failure to disconnect water service for non-payment

Criteria: The Louisiana Constitution prohibits the donation of public funds or property, which includes providing free or uncollected utility services to customers who do not pay for those services. Utility billing and collection procedures should be designed and enforced to ensure that all customers are treated equitably, services are discontinued for chronic nonpayment as allowed, and public resources are not effectively donated through uncollected accounts and excessive write-offs.

Condition: The Town has the authority to terminate water service for delinquent accounts; however, it continues to carry a significant volume of unpaid utility balances that are ultimately written off.

Cause: The Town has not fully implemented or consistently enforced formal policies and procedures concerning utility billing and collections.

Effect: By not enforcing the disconnection policy, the town is not in compliance with the Louisiana Constitution. Also, revenue is reduced and the town will operate its utility fund at a loss.

Recommendation: Although the Town has a well-documented policy for handling outstanding utility accounts, it should strengthen internal controls to ensure the delinquency policy is consistently enforced, including clear procedures, responsible personnel, and periodic monitoring for compliance.

Management's Response: Management will enforce disconnections and collections to ensure services are not being donated.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2025

2024-01 Segregation of Duties

Condition: The Town of Rayville does not have an adequate segregation of employee duties for effective internal control.

Recommendation: To the extent that it is practical to do so, management should segregate employee duties and perform supervisory reviews.

Current Status: Finding is repeated as 2025-01.

2024-02 Budget Variance

Condition: The Town had unfavorable variances of more than 5% in its General Fund expenditures during the year.

Recommendation: We recommend that Town management monitor the budget throughout the year and make necessary amendments.

Current Status: Finding is repeated as 2025-02.

2024-03 Late Filing with the Louisiana Legislative Auditor:

Condition: The revised audit report was not filed by the deadline set by the Louisiana Legislative Auditor.

Recommendation: The town clerk and Town auditor should work together to ensure timely filing in the future.

Current Status: Finding is repeated as 2025-03.

Town of Rayville, Louisiana

Agreed-Upon Procedures Report
July 1, 2024 through June 30, 2025

CERTIFIED PUBLIC
ACCOUNTANTS

PREMIER PLAZA
1900 N. 18TH STREET, SUITE 300 | MONROE, LOUISIANA 71201
318.388.3108 (P) | 318.429.2124 (F)

April 23, 2026

To the Honorable Mayor Harry Lewis
And the Members of the Town Council
Town of Rayville, Louisiana

Louisiana Legislative Auditor
Baton Rouge, Louisiana

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

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

The Town has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2024, through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
   a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
   b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
   c) ***Disbursements***, including processing, reviewing, and approving.
   d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all

collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

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

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

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

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

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

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

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

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

Findings: *No exceptions noted.*

Board or Finance Committee

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

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

   b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds.

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

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

Findings: *No record of discussion of the audit findings or corrective action plan at board meetings or budget to actual discussions.*

Bank Reconciliations

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

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

b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

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

Findings: *Two exceptions noted for bank reconciliations are not being reviewed by management/board member.*

Collections (excluding electronic funds transfers)

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

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

a) Employees that are responsible for cash collections do not share cash drawers/registers.

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

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

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

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

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

   a) Observe that receipts are sequentially pre-numbered.

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

   c) Trace the deposit slip total to the actual deposit per the bank statement.

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

   e) Trace the actual deposit per the bank statement to the general ledger.

Findings: *No exceptions noted.*

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

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

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

   b) At least two employees are involved in processing and approving payments to vendors.

   c) The employee responsible for processing payments is prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.

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

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

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

    a) Observe that the disbursement matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

    b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3 above, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g. sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

Findings: *No exceptions noted.*

Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

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

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

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

14. Using the monthly statements or combined statements selected under #12 above, <u>excluding fuel cards</u>, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Findings: *Two exceptions noted for late fees assessed on card statements.*

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

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

    a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

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

       Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

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

Findings: *No exceptions noted.*

Contracts

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

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

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

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

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

Findings: *No exceptions noted.*

Payroll and Personnel

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

18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:

    a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

    b) Observe that supervisors approved the attendance and leave of the selected employees or officials.

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

    d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

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

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

Findings: *No exceptions noted.*

Ethics

21. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

    a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

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

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

Findings: *No exceptions noted.*

Debt Service

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

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

Findings: *No exceptions noted.*

Fraud Notice

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

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

Findings: *One exception noted for not reporting misappropriation of assets to the LLA.*

Information Technology Disaster Recovery/Business Continuity

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

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

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

    c. Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure 19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Findings: *We performed the procedure and discussed the results with management.*

Prevention of Sexual Harassment

29. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year, as required by R.S 42:343.
30. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
31. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:
    1. Number and percentage of public servants in the agency who have completed the training requirements;
    2. Number of sexual harassment complaints received by the agency;
    3. Number of complaints which resulted in a finding that sexual harassment occurred;
    4. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
    5. Amount of time it took to resolve each complaint.

Findings: *Exception noted for no sexual harassment policy procedures posted on website or premises.*

Management's Response

We agree with the results of the procedures and will address the identified exceptions.

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

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

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

Heard, McElroy & Vestal, LLC

Monroe, Louisiana
April 23, 2026