

**TOWN OF ABITA SPRINGS, LOUISIANA**  
**Financial Statements with Supplementary Information**  
**December 31, 2024**  
**(With Independent Auditor's Report Thereon)**

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Table of Contents**

|  | <u>Page</u>    |
|--|----------------|
| <b>Independent Auditor’s Report</b>  | <b>1 - 3</b>   |
| <b>Required Supplementary Information – Part I</b>   |                |
| <b>Management’s Discussion and Analysis</b>  | <b>4 - 7</b>   |
| <b>Basic Financial Statements:</b>   |                |
| <b>Government-Wide Financial Statements:</b>   |                |
| <b>Statement of Net Position</b>   | <b>8 - 9</b>   |
| <b>Statement of Activities</b>   | <b>10 - 11</b> |
| <b>Fund Financial Statements:</b>  |                |
| <b>Governmental Funds:</b>   |                |
| <b>Balance Sheet</b>   | <b>12</b>      |
| <b>Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position</b>                           | <b>13</b>      |
| <b>Statement of Revenues, Expenditures, and Changes in Fund Balances</b>   | <b>14 - 15</b> |
| <b>Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Government-Wide Statement of Activities</b> | <b>16</b>      |
| <b>Proprietary Fund:</b>   |                |
| <b>Statement of Net Position</b>   | <b>17</b>      |
| <b>Statement of Revenues, Expenses, and Changes in Net Position</b>  | <b>18</b>      |
| <b>Statement of Cash Flows</b>   | <b>19 - 20</b> |
| <b>Notes to the Financial Statements</b>   | <b>21 - 43</b> |
| <b>Required Supplementary Information – Part II:</b>   |                |
| <b>Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund</b>                              | <b>44 - 45</b> |
| <b>Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Shared Sales Tax Fund</b>                     | <b>46</b>      |
| <b>Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Special Sales Tax Fund</b>                    | <b>47</b>      |

# TOWN OF ABITA SPRINGS, LOUISIANA

## Table of Contents

|  |                |
|--|----------------|
| <b>Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Cemetery Fund</b>   | <b>48</b>      |
| <b>Schedule of Employer’s Proportionate Share of Net Pension Liability</b>   | <b>49</b>      |
| <b>Schedule of Employer’s Pension Contributions</b>  | <b>50</b>      |
| <b>Notes to Required Supplementary Information – Schedule of Employer’s Proportionate Share of Net Pension Liability and Schedule of Employer’s Pension Contributions</b>  | <b>51 - 52</b> |
| <b>Other Supplementary Information:</b>  |                |
| <b>Non-Major Governmental Funds:</b>   |                |
| <b>Combining Balance Sheet</b>   | <b>53</b>      |
| <b>Combining Statement of Revenues, Expenditures, and Changes in Fund Balances</b>   | <b>54</b>      |
| <b>Supporting Schedules:</b>   |                |
| <b>Schedule of Compensation Paid to Council Members</b>  | <b>55</b>      |
| <b>Schedule of Compensation, Benefits, and Other Payments to Agency Head</b>   | <b>56</b>      |
| <b>Justice System Funding Schedule – Collecting/Disbursing Entity</b>  | <b>57</b>      |
| <b>Justice System Funding Schedule – Receiving Entity</b>  | <b>58</b>      |
| <b>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 <i>Government Auditing Standards</i></b> | <b>59 - 60</b> |
| <b>Schedule of Findings</b>  | <b>61 - 63</b> |
| <b>Status of Prior Audit Findings</b>  | <b>64 - 68</b> |
| <b>Town of Abita Springs, Louisiana’s Response to Findings</b>   | <b>69 – 72</b> |
| <b>Management Letter</b>   | <b>73</b>      |
| <b>Town of Abita Springs, Louisiana’s Response to Management Letter</b>  | <b>74</b>      |



Stephen M. Griffin, CPA  
Robert J. Furman, CPA

Howard P. Vollenweider, CPA  
Jessica S. Benjamin  
Racheal D. Alvey  
Michael J. Caparotta, CPA

Michael R. Choate, CPA

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American Society of Certified Public Accountants  
Society of Louisiana CPAs

## **Independent Auditor's Report**

**To the Honorable Mayor and Board of Aldermen  
Town of Abita Springs, Louisiana**

### **Opinion**

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

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

### **Basis for Opinion**

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

### **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**

205 E. Lockwood St.  
Covington LA 70433  
(985) 727-9924 Phone  
(985) 727-9975 Fax

2915 S. Sherwood Forest Blvd., Suite B  
Baton Rouge, LA 70816  
(225) 292-7434 Phone  
(225) 293-3651 Fax

3711 Cypress St. #2  
West Monroe, LA 71291  
(318) 397-2472 Phone

[www.griffinandco.com](http://www.griffinandco.com)

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 12 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining evidence regarding the amounts and disclosures in the financial statements on a test basis.
- 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, statements of revenues, expenditures, and changes in fund balances - budget and actual, schedule of employer's proportionate share of net pension liability, and schedule of employer's pension contributions, and the related notes to the required supplementary information be presented to supplement the basic financial statements. Such information, although not 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 to 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 an opinion on the financial statements that collectively comprise the Town's financial statements as a whole. The accompanying combining non-major governmental fund financial statements are not a required part of the basic financial statements. The schedule of compensation paid to council members and schedule of compensation, benefits, and other payments to agency head are presented to comply with the requirements issued by the State of Louisiana and are not a required part of the basic financial statements. The accompanying justice system funding schedules are presented to comply with Act 87 of the 2020 Louisiana Legislative Session and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2026, on our consideration of Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 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.

*Griffin & Furman, LLC*

January 20, 2026

Covington, Louisiana

# TOWN OF ABITA SPRINGS, LOUISIANA

## Management's Discussion and Analysis

For the Year Ended December 31, 2024

As management of the Town of Abita Springs, Louisiana (the "Town"), we offer residents of the Town this narrative overview and financial analysis of the financial activities of the Town as of December 31, 2024, and for the year then ended.

### Overview of the Basic Financial Statements

The Town adopted Governmental Accounting Standards Board (GASB) Statement No. 34 on January 1, 2004. Under this pronouncement, the Town's basic financial statements include Government-Wide financial statements and fund financial statements. These two types of financial statements present the Town's financial position and the results of its operations from differing perspectives, which are described as follows.

### Government-Wide Financial Statements

The Government-Wide financial statements report information about the Town as a whole using an accounting method similar to that used by private-sector companies. The basis of accounting used is accrual accounting. The Government-Wide statements reflect all of the Town's assets (including capital assets) and all of the Town's liabilities. The two Government-Wide financial statements are as follows:

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

**Statement of Activities:** This statement presents information showing how the Town's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future periods.

### Fund Financial Statements

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

"Governmental funds" are used to account for essentially the same functions reported as governmental activities in the Government-Wide financial statements. However, unlike the Government-Wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The Town's major governmental funds are the General Fund, the Shared Sales Tax Fund, the Special Sales Tax Fund, the Cemetery Fund, and the Debt Service Fund.

"Proprietary funds" are used to account for activities that function in a manner similar to commercial enterprises. Proprietary fund financial statements typically provide a more detailed presentation of the information reported in the business-type activities portion of the Government-Wide financial statements. The Town's major proprietary fund is the Utility Fund.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Management's Discussion and Analysis**

**For the Year Ended December 31, 2024**

The accompanying notes to the financial statements provide information essential to a full understanding of the Government-Wide and fund financial statements. The notes to the financial statements begin on page 21 of this report.

**Financial Highlights**

At December 31, 2024, the Town's assets exceeded its liabilities by \$3,714,129 (net position). The Town's total net position increased by \$1,783,737 for the year ended December 31, 2024.

**Government-Wide Financial Analysis**

A condensed version of the Government-Wide Statements of Net Position is presented as follows:

|   | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>2024</u>        | <u>(Restated)<br/>2023</u> |
|---|------------------------------------|-------------------------------------|--------------------|----------------------------|
| <b>Assets:</b>                              |                                    |                                     |                    |                            |
| Current assets                              | \$ 2,819,518                       | 3,939,656                           | 6,759,174          | 10,954,607                 |
| Capital assets                              | <u>4,292,729</u>                   | <u>6,991,928</u>                    | <u>11,284,657</u>  | <u>9,397,867</u>           |
| <b>Total assets</b>                         | <u>7,112,247</u>                   | <u>10,931,584</u>                   | <u>18,043,831</u>  | <u>20,352,474</u>          |
| <b>Total deferred outflows of resources</b> | <u>45,618</u>                      | <u>81,099</u>                       | <u>126,717</u>     | <u>247,672</u>             |
| <b>Liabilities:</b>                         |                                    |                                     |                    |                            |
| Current liabilities                         | 631,410                            | 1,654,103                           | 2,285,513          | 6,429,236                  |
| Long-term liabilities                       | <u>6,403,480</u>                   | <u>5,720,340</u>                    | <u>12,123,820</u>  | <u>12,220,762</u>          |
| <b>Total liabilities</b>                    | <u>7,034,890</u>                   | <u>7,374,443</u>                    | <u>14,409,333</u>  | <u>18,649,998</u>          |
| <b>Total deferred inflows of resources</b>  | <u>16,951</u>                      | <u>30,135</u>                       | <u>47,086</u>      | <u>19,756</u>              |
| <b>Net position:</b>                        |                                    |                                     |                    |                            |
| Net investment in capital assets            | 4,077,729                          | 1,348,912                           | 5,426,641          | 3,356,384                  |
| Restricted                                  | 608,926                            | 1,193,408                           | 1,802,334          | 2,913,989                  |
| Unrestricted (deficit)                      | <u>(4,580,631)</u>                 | <u>1,065,785</u>                    | <u>(3,514,846)</u> | <u>(4,339,981)</u>         |
| <b>Total net position</b>                   | <u>\$ 106,024</u>                  | <u>3,608,105</u>                    | <u>3,714,129</u>   | <u>1,930,392</u>           |

|                          | <u>Governmental<br/>Activities</u> |                  | <u>Business-Type<br/>Activities</u> |                  | <u>Total</u>      |                  |
|--------------------------|------------------------------------|------------------|-------------------------------------|------------------|-------------------|------------------|
|                          | <u>(Restated)</u>                  |                  | <u>(Restated)</u>                   |                  | <u>(Restated)</u> |                  |
|                          | <u>2024</u>                        | <u>2023</u>      | <u>2024</u>                         | <u>2023</u>      | <u>2024</u>       | <u>2023</u>      |
| <b>Program revenues:</b> |                                    |                  |                                     |                  |                   |                  |
| Charges for services     | \$ 32,353                          | 75,904           | 2,103,548                           | 2,005,596        | 2,135,901         | 2,081,500        |
| Operating grants         | 744,939                            | 599,014          | -                                   | -                | 744,939           | 599,014          |
| Capital grants           | 7,213                              | 175,210          | 652,156                             | 22,268           | 659,369           | 197,478          |
| <b>General revenues:</b> |                                    |                  |                                     |                  |                   |                  |
| Taxes                    | 2,271,119                          | 2,178,622        | -                                   | -                | 2,271,119         | 2,178,622        |
| Licenses and permits     | 247,923                            | 219,337          | -                                   | -                | 247,923           | 219,337          |
| Fines and forfeitures    | 29,542                             | 15,158           | -                                   | -                | 29,542            | 15,158           |
| Investment earnings      | 97,892                             | 142,776          | 139,340                             | 86,996           | 237,232           | 229,772          |
| Museum income            | 19,811                             | 22,632           | -                                   | -                | 19,811            | 22,632           |
| Other                    | 446,903                            | 388,486          | -                                   | -                | 446,903           | 388,486          |
| <b>Total revenues</b>    | <u>3,897,695</u>                   | <u>3,817,139</u> | <u>2,895,044</u>                    | <u>2,114,860</u> | <u>6,792,739</u>  | <u>5,931,999</u> |

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Management's Discussion and Analysis**

**For the Year Ended December 31, 2024**

|  | <u>Governmental</u> |                    | <u>Business-Type</u> |                    | <u>Total</u>                |                    |
|--|---------------------|--------------------|----------------------|--------------------|-----------------------------|--------------------|
|  | <u>Activities</u>   |                    | <u>Activities</u>    |                    | <u>                    </u> |                    |
|  | 2024                | (Restated)<br>2023 | 2024                 | (Restated)<br>2023 | 2024                        | (Restated)<br>2023 |
| <b>Expenditures:</b>                   |                     |                    |                      |                    |                             |                    |
| General government                     | \$ (2,070,869)      | (2,473,342)        | -                    | -                  | (2,070,869)                 | (2,473,342)        |
| Public safety                          | (223,965)           | (143,459)          | -                    | -                  | (223,965)                   | (143,459)          |
| Public works                           | (702,619)           | (689,379)          | -                    | -                  | (702,619)                   | (689,379)          |
| Cemetery                               | (37,833)            | (31,842)           | -                    | -                  | (37,833)                    | (31,842)           |
| Culture and recreation                 | (39,033)            | (54,605)           | -                    | -                  | (39,033)                    | (54,605)           |
| Utilities                              | -                   | -                  | (1,873,637)          | (1,817,653)        | (1,873,637)                 | (1,817,653)        |
| Interest on long-term debt             | (5,725)             | (39,078)           | (55,321)             | (26,338)           | (61,046)                    | (65,416)           |
| <b>Total expenses</b>                  | <b>(3,080,044)</b>  | <b>(3,431,705)</b> | <b>(1,928,958)</b>   | <b>(1,843,991)</b> | <b>(5,009,002)</b>          | <b>(5,275,696)</b> |
| <b>Other financing sources (uses):</b> |                     |                    |                      |                    |                             |                    |
| Transfers in                           | 2,874,613           | -                  | 134,978              | -                  | 3,009,591                   | -                  |
| Transfers out                          | (2,649,473)         | -                  | (360,118)            | -                  | (3,009,591)                 | -                  |
| <b>Total other financing</b>           | <b>225,140</b>      | <b>-</b>           | <b>(225,140)</b>     | <b>-</b>           | <b>-</b>                    | <b>-</b>           |
| <b>Sources (uses)</b>                  | <b>225,140</b>      | <b>-</b>           | <b>(225,140)</b>     | <b>-</b>           | <b>-</b>                    | <b>-</b>           |
| <b>Changes in net position</b>         | <b>1,042,791</b>    | <b>385,434</b>     | <b>740,946</b>       | <b>270,869</b>     | <b>1,783,737</b>            | <b>656,303</b>     |
| <b>Net position – beginning</b>        | <b>(936,767)</b>    | <b>(1,322,201)</b> | <b>2,867,159</b>     | <b>2,596,290</b>   | <b>1,930,392</b>            | <b>1,274,089</b>   |
| <b>Net position – ending</b>           | <b>\$ 106,024</b>   | <b>(936,767)</b>   | <b>3,608,105</b>     | <b>2,867,159</b>   | <b>3,714,129</b>            | <b>1,930,392</b>   |

**Financial Analysis of the Major Funds**

The Town's General Fund, Shared Sales Tax Fund, Special Sales Tax Fund, Cemetery Fund, and Debt Service Fund had increases (decreases) in fund balances in the amount of \$1,097,083, \$(1,041,121), \$(647,614), \$(19,959), and \$(147,525), respectively, for the year ended December 31, 2024. Total governmental fund amounts are different from governmental activities due to capital assets and long-term debt.

Amounts reported for business-type activities in the Town's individual funds are identical to business-type activities reported in the Government-Wide presentation.

**Budget Highlights**

As required by law, the Town adopted a budget for its General Fund, Shared Sales Tax Fund, Special Sales Tax Fund, and Cemetery Fund.

**Capital Asset Administration**

For governmental activities, capital assets, net of accumulated depreciation, increased by \$1,350,660 for the year ended December 31, 2024, as a result of purchases exceeding depreciation expense for the year.

For business-type activities, capital assets, net of accumulated depreciation, increased by \$536,130 as a result of purchases exceeding depreciation expense for the year.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Management's Discussion and Analysis**

**For the Year Ended December 31, 2024**

**Debt Administration**

The Town's total long-term debt decreased by \$96,942 during the year ended December 31, 2024.

**Contingencies**

During 2019, the Town and its insurer defended a case against Lonesome Development, LLC. The trial court ruled in favor of Lonesome Development, LLC awarding them \$4,900,000 plus attorney fees in the amount of \$1,018,361. The ruling in this case against the Town was upheld by the Louisiana Supreme Court in November, 2022. The judgement is final. As of December 31, 2024, the Town has recorded a claim payable of \$5,918,361 on the Government-Wide statement of financial position as a result of this case.

**Economic Factors and Next Year's Budgets**

With no planned debt issuances, the Town will continue using the outstanding bond proceeds for acquiring, constructing improvements, and replacing the Town's sewerage system and water system as well as constructing, paving, resurfacing and improving public streets in the Town.

**Requests for Information**

This financial report is designed to provide a general overview of the Town's finances. Questions concerning this report or the need for additional information should be directed to Leanne Schaefer, Town Clerk, P.O. Box 461, Abita Springs, Louisiana 70420.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Statement of Net Position**

**December 31, 2024**

|  | Primary government:                |                                     | <u>Total</u>      |
|--|------------------------------------|-------------------------------------|-------------------|
|  | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> |                   |
| <u>Assets and Deferred Outflows of Resources</u>                     |                                    |                                     |                   |
| <b>Assets:</b>   |                                    |                                     |                   |
| <b>Current assets:</b>   |                                    |                                     |                   |
| Restricted cash and cash equivalents                                 | \$ 132,106                         | 121,105                             | 253,211           |
| Unrestricted cash and cash equivalents                               | 258,252                            | 194,228                             | 452,480           |
| Investments  | 1,321,434                          | 3,331,267                           | 4,652,701         |
| Receivables, net   | 961,222                            | 213,614                             | 1,174,836         |
| Restricted receivables, net  | 24,501                             | -                                   | 24,501            |
| Due from other funds   | 122,003                            | -                                   | 122,003           |
| Prepaid expenses   | -                                  | 79,442                              | 79,442            |
| Total current assets   | <u>2,819,518</u>                   | <u>3,939,656</u>                    | <u>6,759,174</u>  |
| <b>Noncurrent assets:</b>  |                                    |                                     |                   |
| Capital assets not being depreciated                                 | 1,731,312                          | 778,209                             | 2,509,521         |
| Capital assets being depreciated,<br>net of accumulated depreciation | <u>2,561,417</u>                   | <u>6,213,719</u>                    | <u>8,775,136</u>  |
| Total noncurrent assets  | <u>4,292,729</u>                   | <u>6,991,928</u>                    | <u>11,284,657</u> |
| Total assets   | 7,112,247                          | 10,931,584                          | 18,043,831        |
| <b>Deferred outflows of resources:</b>                               |                                    |                                     |                   |
| Deferred outflows related to pensions                                | <u>45,618</u>                      | <u>81,099</u>                       | <u>126,717</u>    |
| Total assets and deferred outflows of resources                      | <u>\$ 7,157,865</u>                | <u>11,012,683</u>                   | <u>18,170,548</u> |

See accompanying notes to the financial statements.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Statement of Net Position**

**December 31, 2024**

|  | Primary government:        |                             |             |
|--|----------------------------|-----------------------------|-------------|
|  | Governmental<br>Activities | Business-Type<br>Activities | Total       |
| <b><u>Liabilities, Deferred Inflows of Resources, and Net Position</u></b> |                            |                             |             |
| <b>Liabilities:</b>  |                            |                             |             |
| <b>Current liabilities:</b>  |                            |                             |             |
| Accounts payable   | \$ 150,578                 | 46,259                      | 196,837     |
| Accrued expenses   | 12,977                     | 3,174                       | 16,151      |
| Cash overdraft   | 353,290                    | -                           | 353,290     |
| Due to other funds   | 50,991                     | 71,012                      | 122,003     |
| Accrued interest payable   | 2,013                      | 17,789                      | 19,802      |
| Meter deposits   | -                          | 175,666                     | 175,666     |
| Deferred revenue   | 13,958                     | 847,950                     | 861,908     |
| Compensated absences   | 7,603                      | 18,253                      | 25,856      |
| Bonds payable - current  | 40,000                     | 474,000                     | 514,000     |
| Total current liabilities  | 631,410                    | 1,654,103                   | 2,285,513   |
| <b>Noncurrent liabilities:</b>   |                            |                             |             |
| Claim payable  | 5,918,361                  | -                           | 5,918,361   |
| Bonds payable - long-term  | 175,000                    | 5,169,016                   | 5,344,016   |
| Net pension liability  | 310,119                    | 551,324                     | 861,443     |
| Total noncurrent liabilities   | 6,403,480                  | 5,720,340                   | 12,123,820  |
| Total liabilities  | 7,034,890                  | 7,374,443                   | 14,409,333  |
| <b>Deferred inflows of resources:</b>                                      |                            |                             |             |
| Deferred inflows related to pensions                                       | 16,951                     | 30,135                      | 47,086      |
| <b>Net position:</b>   |                            |                             |             |
| Net investment in capital assets   | 4,077,729                  | 1,348,912                   | 5,426,641   |
| <b>Restricted for:</b>   |                            |                             |             |
| Dedicated sales tax usage  | 288,152                    | -                           | 288,152     |
| Debt service   | 320,774                    | -                           | 320,774     |
| Bond covenants   | -                          | 1,193,408                   | 1,193,408   |
| Unrestricted (deficit)   | (4,580,631)                | 1,065,785                   | (3,514,846) |
| Total net position   | 106,024                    | 3,608,105                   | 3,714,129   |
| Total liabilities, deferred inflows of resources, and net position         | \$ 7,157,865               | 11,012,683                  | 18,170,548  |

See accompanying notes to the financial statements.

TOWN OF ABITA SPRINGS, LOUISIANA

Statement of Activities

For the Year Ended December 31, 2024

| Functions/programs                    | Expenses            | Charges for Services | Program Revenues                 |                                | Net (Expense) Revenue and Change in Net Position |                          |                    |
|---------------------------------------|---------------------|----------------------|----------------------------------|--------------------------------|--|--------------------------|--------------------|
|                                       |                     |                      | Operating Grants & Contributions | Capital Grants & Contributions | Governmental Activities                          | Business-type Activities | Total              |
| <b>Primary government:</b>            |                     |                      |                                  |                                |  |                          |                    |
| <b>Governmental activities:</b>       |                     |                      |                                  |                                |  |                          |                    |
| General government                    | \$ 2,070,869        | 14,353               | 743,250                          | -                              | (1,313,266)                                      | -                        | (1,313,266)        |
| Public safety                         | 223,965             | -                    | -                                | -                              | (223,965)  | -                        | (223,965)          |
| Public works                          | 702,619             | -                    | 1,689                            | -                              | (700,930)  | -                        | (700,930)          |
| Cemetery                              | 37,833              | 18,000               | -                                | -                              | (19,833)   | -                        | (19,833)           |
| Culture and recreation                | 39,033              | -                    | -                                | 7,213                          | (31,820)   | -                        | (31,820)           |
| Interest on bonds payable             | 5,725               | -                    | -                                | -                              | (5,725)  | -                        | (5,725)            |
| <b>Total governmental activities</b>  | <b>3,080,044</b>    | <b>32,353</b>        | <b>744,939</b>                   | <b>7,213</b>                   | <b>(2,295,539)</b>                               | <b>-</b>                 | <b>(2,295,539)</b> |
| <b>Business-type activities:</b>      |                     |                      |                                  |                                |  |                          |                    |
| Utilities                             | 1,873,637           | 2,103,548            | -                                | 652,156                        | -  | 882,067                  | 882,067            |
| Interest on long-term debt            | 55,321              | -                    | -                                | -                              | -  | (55,321)                 | (55,321)           |
| <b>Total business-type activities</b> | <b>1,928,958</b>    | <b>2,103,548</b>     | <b>-</b>                         | <b>652,156</b>                 | <b>-</b>   | <b>826,746</b>           | <b>826,746</b>     |
| <b>Total primary government</b>       | <b>\$ 5,009,002</b> | <b>2,135,901</b>     | <b>744,939</b>                   | <b>659,369</b>                 | <b>(2,295,539)</b>                               | <b>826,746</b>           | <b>(1,468,793)</b> |
| <b>General revenues:</b>              |                     |                      |                                  |                                |  |                          |                    |
| <b>Taxes:</b>                         |                     |                      |                                  |                                |  |                          |                    |
| Property taxes                        |                     |                      |                                  |                                | 462,731  | -                        | 462,731            |
| Franchise taxes                       |                     |                      |                                  |                                | 129,786  | -                        | 129,786            |
| Sales taxes                           |                     |                      |                                  |                                | 1,672,077  | -                        | 1,672,077          |
| Other taxes                           |                     |                      |                                  |                                | 6,525  | -                        | 6,525              |
| Licenses and permits                  |                     |                      |                                  |                                | 121,638  | -                        | 121,638            |
| Fines and forfeitures                 |                     |                      |                                  |                                | 29,542   | -                        | 29,542             |
| Insurance licenses                    |                     |                      |                                  |                                | 126,285  | -                        | 126,285            |
| Investment earnings                   |                     |                      |                                  |                                | 97,892   | 139,340                  | 237,232            |
| Museum income                         |                     |                      |                                  |                                | 19,811   | -                        | 19,811             |
| Other general revenues                |                     |                      |                                  |                                | 446,903  | -                        | 446,903            |
| <b>Total general revenues</b>         |                     |                      |                                  |                                | <b>3,113,190</b>                                 | <b>139,340</b>           | <b>3,252,530</b>   |

See accompanying notes to the financial statements.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Statement of Activities**

**For the Year Ended December 31, 2024**

|  | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>       |
|--|------------------------------------|-------------------------------------|--------------------|
| <b>Other financing sources/(uses):</b>       |                                    |                                     |                    |
| <b>Transfers in</b>                          | 2,874,613                          | 134,978                             | 3,009,591          |
| <b>Transfers out</b>                         | <u>(2,649,473)</u>                 | <u>(360,118)</u>                    | <u>(3,009,591)</u> |
| <b>Total</b>                                 | 225,140                            | (225,140)                           | -                  |
| <br>   |                                    |                                     |                    |
| <b>Change in net position</b>                | <u>1,042,791</u>                   | <u>740,946</u>                      | <u>1,783,737</u>   |
| <br>   |                                    |                                     |                    |
| Net position - beginning of the year         | (520,315)                          | 2,577,784                           | 2,057,469          |
| <br>   |                                    |                                     |                    |
| Prior period adjustment                      | <u>(416,452)</u>                   | <u>289,375</u>                      | <u>(127,077)</u>   |
| <br>   |                                    |                                     |                    |
| Net position, beginning of year, as restated | <u>(936,767)</u>                   | <u>2,867,159</u>                    | <u>1,930,392</u>   |
| <br>   |                                    |                                     |                    |
| Net position - end of year                   | <u>\$ 106,024</u>                  | <u>3,608,105</u>                    | <u>3,714,129</u>   |

See accompanying notes to the financial statements.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Governmental Funds**

**Balance Sheet**

**December 31, 2024**

|  | Special Revenue Funds |                             |                              |                  |                      |                                    | Total<br>Governmental<br>Fund |
|--|-----------------------|-----------------------------|------------------------------|------------------|----------------------|------------------------------------|-------------------------------|
|  | General<br>Fund       | Shared<br>Sales Tax<br>Fund | Special<br>Sales Tax<br>Fund | Cemetery<br>Fund | Debt Service<br>Fund | Non-Major<br>Governmental<br>Funds |                               |
| <b>Assets:</b>   |                       |                             |                              |                  |                      |                                    |                               |
| Cash and cash equivalents  | \$ 212,479            | -                           | -                            | 34,949           | 10,824               | -                                  | 258,252                       |
| Investments  | 743,426               | 92,820                      | -                            | 233,601          | 175,384              | 76,203                             | 1,321,434                     |
| <b>Receivables:</b>  |                       |                             |                              |                  |                      |                                    |                               |
| Property taxes, net  | 206,382               | -                           | -                            | -                | 139,144              | 78,693                             | 424,219                       |
| Sales taxes  | 53,801                | 330,050                     | 53,342                       | -                | -                    | -                                  | 437,193                       |
| Other  | 99,810                | -                           | -                            | -                | -                    | -                                  | 99,810                        |
| Due from other funds   | 71,012                | -                           | -                            | 50,991           | -                    | -                                  | 122,003                       |
| Cash and cash equivalents - restricted                                     | 22,149                | -                           | -                            | -                | -                    | 109,957                            | 132,106                       |
| Sales taxes receivable - restricted  | 24,501                | -                           | -                            | -                | -                    | -                                  | 24,501                        |
| <b>Total assets</b>  | <b>\$ 1,433,560</b>   | <b>422,870</b>              | <b>53,342</b>                | <b>319,541</b>   | <b>325,352</b>       | <b>264,853</b>                     | <b>2,819,518</b>              |
| <b>Liabilities:</b>  |                       |                             |                              |                  |                      |                                    |                               |
| Accounts payable and other liabilities                                     | \$ 117,706            | 11,517                      | 15,299                       | 5,000            | -                    | 1,056                              | 150,578                       |
| Accrued expenses   | 12,267                | -                           | -                            | -                | -                    | 710                                | 12,977                        |
| Cash overdraft   | -                     | 353,290                     | -                            | -                | -                    | -                                  | 353,290                       |
| Due to other funds   | 50,991                | -                           | -                            | -                | -                    | -                                  | 50,991                        |
| <b>Total liabilities</b>   | <b>180,964</b>        | <b>364,807</b>              | <b>15,299</b>                | <b>5,000</b>     | <b>-</b>             | <b>1,766</b>                       | <b>567,836</b>                |
| <b>Deferred inflows of resources:</b>                                      |                       |                             |                              |                  |                      |                                    |                               |
| Unavailable revenue - property taxes                                       | 6,791                 | -                           | -                            | -                | 4,578                | 2,589                              | 13,958                        |
| <b>Total deferred inflows of resources</b>                                 | <b>6,791</b>          | <b>-</b>                    | <b>-</b>                     | <b>-</b>         | <b>4,578</b>         | <b>2,589</b>                       | <b>13,958</b>                 |
| <b>Fund balances:</b>  |                       |                             |                              |                  |                      |                                    |                               |
| <b>Restricted:</b>   |                       |                             |                              |                  |                      |                                    |                               |
| Police operations  | 192,046               | -                           | -                            | -                | -                    | -                                  | 192,046                       |
| Special revenue funds  | -                     | 58,063                      | 38,043                       | -                | -                    | -                                  | 96,106                        |
| Debt service   | -                     | -                           | -                            | -                | 320,774              | -                                  | 320,774                       |
| Committed  | -                     | -                           | -                            | 314,541          | -                    | -                                  | 314,541                       |
| Unassigned   | 1,053,759             | -                           | -                            | -                | -                    | 260,498                            | 1,314,257                     |
| <b>Total fund balances</b>   | <b>1,245,805</b>      | <b>58,063</b>               | <b>38,043</b>                | <b>314,541</b>   | <b>320,774</b>       | <b>260,498</b>                     | <b>2,237,724</b>              |
| <b>Total liabilities, deferred inflows of resources, and fund balances</b> | <b>\$ 1,433,560</b>   | <b>422,870</b>              | <b>53,342</b>                | <b>319,541</b>   | <b>325,352</b>       | <b>264,853</b>                     | <b>2,819,518</b>              |

See accompanying notes to the financial statements.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Reconciliation of the Balance Sheet Fund Balances - Governmental Funds  
to the Statement of Net Position**

**December 31, 2024**

**Total Governmental Fund Balances** **\$ 2,237,724**

**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.** **4,292,729**

**Long-term liabilities that are not due and payable in the current  
period are not reported as a liability in the governmental funds.  
All liabilities - both current and long-term - are reported in the  
statement of net position.**

|   |                    |
|---|--------------------|
| <b>Accrued interest</b>   | <b>(2,013)</b>     |
| <b>Compensated absences</b>   | <b>(7,603)</b>     |
| <b>Claims payable</b>   | <b>(5,918,361)</b> |
| <b>Bonds payable</b>  | <b>(215,000)</b>   |
| <b>Net pension liability including deferred outflows and deferred<br/>inflows related to pensions</b> | <b>(281,452)</b>   |

**Total Net Position of Governmental Activities** **\$ 106,024**

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Governmental Funds**

**Statement of Revenues, Expenditures, and Changes in Fund Balances**

**For the Year Ended December 31, 2024**

|  | General Fund     | Special Revenue Funds |                        |                | Debt Service Fund | Non-Major Governmental Funds | Total Governmental Fund |
|--|------------------|-----------------------|------------------------|----------------|-------------------|------------------------------|-------------------------|
|  |                  | Shared Sales Tax Fund | Special Sales Tax Fund | Cemetery Fund  |                   |                              |                         |
| <b>Revenues:</b>   |                  |                       |                        |                |                   |                              |                         |
| <b>Taxes:</b>  |                  |                       |                        |                |                   |                              |                         |
| Property taxes   | \$ 229,527       | -                     | -                      | -              | 148,959           | 84,245                       | 462,731                 |
| Franchise taxes  | 129,786          | -                     | -                      | -              | -                 | -                            | 129,786                 |
| Sales taxes  | 623,924          | 416,328               | 623,925                | -              | -                 | -                            | 1,664,177               |
| Other  | 6,525            | -                     | -                      | -              | -                 | -                            | 6,525                   |
| Fines and forfeitures                                    | 29,542           | -                     | -                      | -              | -                 | -                            | 29,542                  |
| Insurance licenses                                       | 126,285          | -                     | -                      | -              | -                 | -                            | 126,285                 |
| Other revenues   | 18,234           | 300,000               | 21,426                 | -              | -                 | 75,143                       | 414,803                 |
| Grant income   | 792,152          | -                     | -                      | -              | -                 | -                            | 792,152                 |
| Licenses and permits                                     | 121,638          | -                     | -                      | -              | -                 | -                            | 121,638                 |
| Museum income  | -                | -                     | -                      | -              | -                 | 19,811                       | 19,811                  |
| Sale of cemetery plots                                   | -                | -                     | -                      | 18,000         | -                 | -                            | 18,000                  |
| Rentals  | 9,943            | -                     | -                      | -              | -                 | 4,410                        | 14,353                  |
| Interest income  | 74,367           | 7,037                 | -                      | 11,864         | 4,264             | 360                          | 97,892                  |
| <b>Total revenues</b>                                    | <b>2,161,923</b> | <b>723,365</b>        | <b>645,351</b>         | <b>29,864</b>  | <b>153,223</b>    | <b>183,969</b>               | <b>3,897,695</b>        |
| <b>Expenditures:</b>                                     |                  |                       |                        |                |                   |                              |                         |
| General government                                       | 1,337,065        | -                     | -                      | -              | 398               | 199,065                      | 1,536,528               |
| Public safety  | 223,965          | -                     | -                      | -              | -                 | -                            | 223,965                 |
| Public works   | -                | 80,035                | 416,738                | -              | -                 | -                            | 496,773                 |
| Clerk of court   | 27,021           | -                     | -                      | -              | -                 | -                            | 27,021                  |
| Cemetery   | -                | -                     | -                      | 37,833         | -                 | -                            | 37,833                  |
| Culture and recreation                                   | -                | -                     | -                      | -              | -                 | 39,033                       | 39,033                  |
| Capital outlay   | 559,185          | 1,119,094             | 213                    | -              | -                 | -                            | 1,678,492               |
| <b>Debt service:</b>                                     |                  |                       |                        |                |                   |                              |                         |
| Principal  | -                | -                     | -                      | -              | 40,000            | -                            | 40,000                  |
| Interest   | -                | -                     | -                      | -              | 6,538             | -                            | 6,538                   |
| <b>Total expenditures</b>                                | <b>2,147,236</b> | <b>1,199,129</b>      | <b>416,951</b>         | <b>37,833</b>  | <b>46,936</b>     | <b>238,098</b>               | <b>4,086,183</b>        |
| <b>Excess (deficiency) of revenues over expenditures</b> | <b>14,687</b>    | <b>(475,764)</b>      | <b>228,400</b>         | <b>(7,969)</b> | <b>106,287</b>    | <b>(54,129)</b>              | <b>(188,488)</b>        |

See accompanying notes to the financial statements.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Governmental Funds**

**Statement of Revenues, Expenditures, and Changes in Fund Balances**

**For the Year Ended December 31, 2024**

|   | Special Revenue Funds |                             |                              |                  | Debt Service<br>Fund | Non-Major<br>Governmental<br>Funds | Total<br>Governmental<br>Fund |
|---|-----------------------|-----------------------------|------------------------------|------------------|----------------------|------------------------------------|-------------------------------|
|   | General<br>Fund       | Shared<br>Sales Tax<br>Fund | Special<br>Sales Tax<br>Fund | Cemetery<br>Fund |                      |                                    |                               |
| Other financing sources (uses):               |                       |                             |                              |                  |                      |                                    |                               |
| Operating transfers in                        | 2,024,650             |                             |                              |                  |                      | 849,963                            | 2,874,613                     |
| Operating transfers out                       | (942,254)             | (565,357)                   | (876,014)                    | (11,990)         | (253,812)            | (46)                               | (2,649,473)                   |
| Total other financing sources (uses)          | 1,082,396             | (565,357)                   | (876,014)                    | (11,990)         | (253,812)            | 849,917                            | 225,140                       |
| Net change in fund balances                   | 1,097,083             | (1,041,121)                 | (647,614)                    | (19,959)         | (147,525)            | 795,788                            | 36,652                        |
| Fund balances, beginning of year              | 590,014               | 1,099,184                   | 660,817                      | 334,500          | 468,299              | (535,290)                          | 2,617,524                     |
| Prior period adjustments                      | (441,292)             | -                           | 24,840                       | -                | -                    | -                                  | (416,452)                     |
| Fund balances, beginning of year, as restated | 148,722               | 1,099,184                   | 685,657                      | 334,500          | 468,299              | (535,290)                          | 2,201,072                     |
| Fund balances, end of year                    | \$ 1,245,805          | 58,063                      | 38,043                       | 314,541          | 320,774              | 260,498                            | 2,237,724                     |

See accompanying notes to the financial statements.

**TOWN OF ABITA SPRINGS, LOUISIANA**

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

**For the Year Ended December 31, 2024**

**Net Change in Fund Balances - Total Governmental Funds** **\$ 36,652**

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

**Governmental funds report capital outlays as expenditures.  
However, in the statement of activities the cost of those assets is  
allocated over their estimated useful lives and reported as  
depreciation expense:**

|   |                  |
|---|------------------|
| <b>Capital asset additions</b>                      | <b>1,690,947</b> |
| <b>Depreciation expense</b>                         | <b>(298,574)</b> |
| <b>Difference in loss on sale of capital assets</b> | <b>(40,481)</b>  |

**Governmental funds report changes in certain liabilities in the  
General Long-Term Debt Account Group, however, the changes  
affect costs in the statement of activities:**

|  |                  |
|--|------------------|
| <b>Payments on bonds payable less interest expense</b> | <b>40,000</b>    |
| <b>Pension expense net of retirement contributions</b> | <b>33,165</b>    |
| <b>Non-employer contributions for pensions</b>         | <b>9,019</b>     |
| <b>Claims payable</b>                                  | <b>(428,750)</b> |
| <b>Accrued interest</b>                                | <b>813</b>       |

**Change in Net Position of Governmental Activities** **\$ 1,042,791**

TOWN OF ABITA SPRINGS, LOUISIANA

Statement of Net Position - Proprietary Fund

December 31, 2024

Assets

|                           |    |                   |
|---------------------------|----|-------------------|
| <b>Current assets:</b>    |    |                   |
| Cash and cash equivalents | \$ | 194,228           |
| Receivables, net          |    | 213,614           |
| Prepaid expenses          |    | 79,442            |
| Total current assets      |    | <u>487,284</u>    |
| <b>Restricted assets:</b> |    |                   |
| Cash and cash equivalents |    | 121,105           |
| Investments               |    | 3,331,267         |
| Total restricted assets   |    | <u>3,452,372</u>  |
| <b>Noncurrent assets:</b> |    |                   |
| Capital assets, net       |    | 6,991,928         |
| Total noncurrent assets   |    | <u>6,991,928</u>  |
| Total assets              |    | <u>10,931,584</u> |

Deferred Outflows of Resources

|                                       |  |               |
|---------------------------------------|--|---------------|
| Deferred outflows related to pensions |  | <u>81,099</u> |
|---------------------------------------|--|---------------|

Liabilities

|  |  |                  |
|--|--|------------------|
| <b>Current liabilities:</b>                                  |  |                  |
| Accounts payable   |  | 46,259           |
| Accrued expenses   |  | 3,174            |
| Deferred revenue   |  | 847,950          |
| Due to general fund  |  | 71,012           |
| Compensated absences   |  | 18,253           |
| Total current liabilities                                    |  | <u>986,648</u>   |
| <b>Current liabilities (payable from restricted assets):</b> |  |                  |
| Accrued interest payable                                     |  | 17,789           |
| Bonds payable - current                                      |  | 474,000          |
| Meter deposits   |  | 175,666          |
| Total current liabilities (payable from restricted assets)   |  | <u>667,455</u>   |
| <b>Non-current liabilities:</b>                              |  |                  |
| Bonds payable - long-term                                    |  | 5,169,016        |
| Net pension liability  |  | 551,324          |
| Total non-current liabilities                                |  | <u>5,720,340</u> |
| Total liabilities  |  | <u>7,374,443</u> |

Deferred Inflows of Resources

|                                      |  |               |
|--------------------------------------|--|---------------|
| Deferred inflows related to pensions |  | <u>30,135</u> |
|--------------------------------------|--|---------------|

Net Position

|                                  |    |                  |
|----------------------------------|----|------------------|
| Net investment in capital assets |    | 1,348,912        |
| Restricted                       |    | 1,193,408        |
| Unrestricted                     |    | 1,065,785        |
| Total net position               | \$ | <u>3,608,105</u> |

See accompanying notes to the financial statements.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund**

**For the Year Ended December 31, 2024**

|   |                  |                     |
|---|------------------|---------------------|
| <b>Operating revenues:</b>                          |                  |                     |
| <b>Charges for services:</b>                        |                  |                     |
| Gas sales   | \$ 642,194       |                     |
| Water sales   | 397,897          |                     |
| Sewer service charges                               | 612,705          |                     |
| Garbage collection fees                             | 421,747          |                     |
| Grant income  | 652,156          |                     |
| Miscellaneous and other fees                        | 29,005           |                     |
| <b>Total operating revenues</b>                     | <b>2,755,704</b> | <b>2,755,704</b>    |
| <br><b>Operating expenses:</b>                      |                  |                     |
| Administrative and general                          | 218,967          |                     |
| Gas system  | 460,791          |                     |
| Water system  | 200,879          |                     |
| Sewerage system                                     | 368,162          |                     |
| Garbage collection                                  | 382,883          |                     |
| Depreciation  | 257,990          |                     |
| <b>Total operating expenses</b>                     | <b>1,889,672</b> | <b>1,889,672</b>    |
| <b>Operating income</b>                             |                  | <b>866,032</b>      |
| <br><b>Non-operating revenues (expenses):</b>       |                  |                     |
| Interest expense                                    | (55,321)         |                     |
| Interest income                                     | 139,340          |                     |
| Non-employer pension contribution                   | 16,035           |                     |
| <b>Total non-operating revenues (expenses)</b>      | <b>100,054</b>   | <b>100,054</b>      |
| <br><b>Other financing sources (uses):</b>          |                  |                     |
| Operating transfers in                              | 134,978          |                     |
| Operating transfers out                             | (360,118)        |                     |
| <b>Total other financing sources (uses)</b>         | <b>(225,140)</b> | <b>(225,140)</b>    |
| <b>Increase in net position</b>                     |                  | <b>740,946</b>      |
| Net position, beginning of year                     | 2,577,784        |                     |
| Prior period adjustment                             | 289,375          |                     |
| <b>Net position, beginning of year, as restated</b> |                  | <b>2,867,159</b>    |
| <b>Net position, end of year</b>                    |                  | <b>\$ 3,608,105</b> |

See accompanying notes to the financial statements.

TOWN OF ABITA SPRINGS, LOUISIANA

Statement of Cash Flows - Proprietary Fund

For the Year Ended December 31, 2024

|  |              |             |
|--|--------------|-------------|
| <b>Cash flows from operating activities:</b>                     |              |             |
| Cash received from customers                                     | \$ 3,637,827 |             |
| Cash paid to suppliers for goods/services                        | (1,401,075)  |             |
| Cash paid to employees for services                              | (477,650)    |             |
| Net cash provided by operating activities                        |              | 1,759,102   |
| <b>Cash flows from non-capital financing activities:</b>         |              |             |
| Decrease in meter deposits                                       | 6,060        |             |
| Non-employer pension contributions                               | 16,035       |             |
| Repayments of interfund borrowings                               | 261,765      |             |
| Operating transfers  | 46,872       |             |
| Net cash provided by non-capital financing activities            |              | 330,732     |
| <b>Cash flows from investing activities:</b>                     |              |             |
| Purchases of investments   | (1,528,879)  |             |
| Interest received  | 139,340      |             |
| Net cash used by investing activities                            |              | (1,389,539) |
| <b>Cash flows from capital and related financing activities:</b> |              |             |
| Purchases of capital assets                                      | (794,120)    |             |
| Issuance of bonds payable  | 257,194      |             |
| Interest paid on bonds payable                                   | (55,321)     |             |
| Principal paid on bonds payable                                  | (404,000)    |             |
| Net cash used by capital and related financing activities        |              | (996,247)   |
| Net decrease in cash and cash equivalents                        |              | (295,952)   |
| Cash and cash equivalents, beginning of year                     |              | 611,285     |
| Cash and cash equivalents, end of year                           |              | \$ 315,333  |

See accompanying notes to the financial statements.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Statement of Cash Flows - Proprietary Fund**

**For the Year Ended December 31, 2024**

**Reconciliation of operating income to net cash provided by operating activities**

|  |           |                  |                         |
|--|-----------|------------------|-------------------------|
| <b>Operating income</b>  |           | <b>\$</b>        | <b>866,032</b>          |
| <b>Adjustments to reconcile operating income to net cash provided by operating activities:</b> |           |                  |                         |
| <b>Depreciation</b>  | <b>\$</b> | <b>257,990</b>   |                         |
| <b>(Increase) decrease in assets:</b>  |           |                  |                         |
| <b>Accounts receivable</b>   |           | <b>34,173</b>    |                         |
| <b>Prepaid expenses</b>  |           | <b>(51,183)</b>  |                         |
| <b>Decrease in deferred outflows related to pensions</b>                                       |           | <b>77,411</b>    |                         |
| <b>Increase (decrease) in liabilities:</b>   |           |                  |                         |
| <b>Accounts payable</b>  |           | <b>(117,931)</b> |                         |
| <b>Accrued expenses</b>  |           | <b>(2,854)</b>   |                         |
| <b>Deferred revenue</b>  |           | <b>847,950</b>   |                         |
| <b>Compensated absences</b>  |           | <b>2,110</b>     |                         |
| <b>Net pension liability</b>   |           | <b>(172,087)</b> |                         |
| <b>Increase in deferred inflows related to pensions</b>  |           | <b>17,491</b>    |                         |
| <b>Total adjustments</b>   |           |                  | <b><u>893,070</u></b>   |
| <b>Net cash provided by operating activities</b>   |           | <b>\$</b>        | <b><u>1,759,102</u></b> |
| <b>Cash and cash equivalents reconciliation:</b>   |           |                  |                         |
| <b>Cash and cash equivalents - unrestricted</b>  |           | <b>\$</b>        | <b>194,228</b>          |
| <b>Cash and cash equivalents - restricted</b>  |           |                  | <b><u>121,105</u></b>   |
| <b>Cash and cash equivalents at end of year</b>  |           | <b>\$</b>        | <b><u>315,333</u></b>   |

See accompanying notes to the financial statements.

# TOWN OF ABITA SPRINGS, LOUISIANA

## Notes to the Financial Statements

December 31, 2024

### Introduction

The Town of Abita Springs, Louisiana (the “Town”) was incorporated in 1914, under the provisions of the Lawrason Act. The Town operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Town of Abita Springs, Louisiana conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:517. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of certain significant accounting policies.

#### (1) Summary of Significant Accounting Policies

##### Reporting Entity

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

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

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

##### 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 non-fiduciary activities of the Town. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which are normally 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 expense of a given function or segment is offset by program revenue. *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*.

# TOWN OF ABITA SPRINGS, LOUISIANA

## Notes to the Financial Statements

December 31, 2024

Separate fund financial statements are provided for the Town's governmental funds and proprietary fund.

### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Property taxes are considered to be collected when they are collected by the St. Tammany Parish Sheriff. Property taxes collected after 60 days are recorded as a deferred inflow on the governmental funds balance sheet. Franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports these governmental funds and fund types:

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

**Special Revenue Funds** – Special Revenue Funds are used to account for the specific expenditures and of specific revenue sources (other than debt service or capital projects) that are restricted or committed to expenditure for specified purposes. The Shared Sales Tax Fund, the Special Sales Tax Fund, and the Cemetery Fund are considered to be major funds. The Lighting Fund, and Parks/Playground Fund are considered to be non-major funds.

**Debt Service Fund** – Debt Service Fund is used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest, and related costs. The Town has one Debt Service Fund which is considered major.

# TOWN OF ABITA SPRINGS, LOUISIANA

## Notes to the Financial Statements

December 31, 2024

**Capital Projects Fund –The Capital Projects Fund is used to account for the construction of infrastructure and public works. The Town’s Capital Projects Fund is considered to be a non-major fund.**

**The activities reported in these funds are reported as governmental activities in the Government-Wide financial statements.**

**The Town uses a proprietary fund to account for the natural gas, water, sewer, and garbage collection services it provides to the residents and businesses of the Town.**

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

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

### **Budgets and Budgetary Accounting**

**At the beginning of each fiscal year, an annual budget is prepared. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. Payments under capital leases are treated as expenditures in the year of payment for budgetary purposes. The Town does not use encumbrance accounting. At the end of the fiscal year, unexpended appropriations of these funds automatically lapse.**

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

- a. The Mayor, Board of Aldermen, Town Clerk, and other advisory personnel assemble the necessary financial information.**
- b. The proposed budget is made available for public inspection.**
- c. A public hearing is held for any recommendations or changes to the budget. The budget is legally adopted through passage of an ordinance by the Board of Aldermen.**

**During the year ended December 31, 2024, the Town did not amend its General Fund, Special Sales Tax Fund, Cemetery Fund, Lighting Fund, and Parks/Playground Fund budgets.**

# TOWN OF ABITA SPRINGS, LOUISIANA

## Notes to the Financial Statements

December 31, 2024

### Cash, Cash Equivalents, and Investments

Cash balances of all funds are combined to the extent possible. Interest earned on deposits is distributed to the individual funds based on the investment balances of the participating funds during the year. Each fund's portion of the pooled cash is included in equity or deficit in pooled cash on the accompanying financial statements.

For the purpose of the proprietary fund statement of cash flows, all highly liquid investments (including certificates of deposit) with a maturity of three months or less when purchased are considered to be cash equivalents.

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

Under state law, the Town may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Town may invest in United States bonds, treasury notes, repurchase agreements, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Short-term investments are stated at amortized cost, which approximates market. Certain investments, as required by GASB 31, are reported at fair value, which is determined using published market prices.

### Investments

State Law R.S. 33:2955 allows the investment in direct United States Treasury obligations; bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. government instrumentalities, which are federally sponsored; direct security repurchase agreements of any federal book-entry-only securities guaranteed by the U.S. government; time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana; savings accounts or shares of certain savings and loan associations and savings bank; certain amounts of federally or state chartered credit unions, and certain mutual or trust fund institutions.

Investments are stated at fair value in accordance with the Governmental Accounting Standards Board Statement (GASB) No. 31 *“Accounting and Financial Reporting for Certain Investments and for External Investment Pools”*.

### Investments – LAMP

The Louisiana Asset Management Pool, (“LAMP”) is administered by LAMP, Inc., a non-profit Corporation, organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets.

# TOWN OF ABITA SPRINGS, LOUISIANA

## Notes to the Financial Statements

December 31, 2024

The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955. LAMP is rated AAA by Standard & Poor's.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days. LAMP is designed to be highly liquid to give its participants immediate access to the account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the U.S. Securities and Exchange Commission (SEC) as an investment company. If you have any questions, please feel free to contact the LAMP administrative office at (800)-249-5267.

Investments in LAMP are stated at amortized cost due to their liquidity.

### Sales Taxes

The Town imposes the following sales and use taxes:

- The original 1965 1% sales and use tax passed by voters is to be used for constructing, improving, maintaining, and operating recreational facilities; constructing sidewalks and bridges; acquiring and maintaining a garbage disposal site and garbage collection equipment, and purchasing equipment for all of the public works and departments of the Town. The proceeds from this sale and use tax are accounted for in the Special Sales Tax Special Revenue Fund.
- Pursuant to the Growth Management and Revenue Sharing Agreement between the Town and St. Tammany Parish (the "Parish") dated December 21, 2006, the Town collects the 2% sales and use tax imposed by the Parish on the growth management area surrounding the Town. The proceeds from the tax are to be used for projects that benefits residents of the growth management area. The proceeds from this sale and use tax are accounted for in the Shared Sales Tax Special Revenue Fund.
- The additional 1983 1% sale and use tax proceeds are to be split in half. Fifty percent is to be used to defray expenses borne by or from the police fund and other fifty percent is to be used for the supplementation of and the performance of all other duties and services funded from the General Fund. The proceeds from this sale and use tax are accounted for in the General Fund.

### Compensated Absences

Employees accrue vacation leave at the rate of 5 to 25 days per anniversary year, according to years of service with the Town. Employees may carry over a maximum of five unused vacation days after their anniversary date into the next year. Employees accrue sick leave of up to 10 days per year. Employees are allowed to carry forward unused sick leave from year to year. Upon termination, or at retirement, employees are paid for unused vacation leave at the discretion of the Town. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the General Fund. Amounts of vested

# TOWN OF ABITA SPRINGS, LOUISIANA

## Notes to the Financial Statements

December 31, 2024

or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the Government-Wide statement of net position.

### Long-Term Debt

In the Government-Wide financial statements, debt principal payments of both governmental and business-type activities are reported as decreases in the balance of the liability on the statement of net position. In the fund financial statements, however, debt principal payments of governmental fund are recognized as expenditures when paid.

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

### Accounts Receivable

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

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information become available which would indicate the uncollectibility of the receivable. The allowance was \$15,000 at December 31, 2024.

### Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities column in the Government-Wide financial statements. Capital assets are capitalized at historical cost, or estimated cost if historical cost is not available.

Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$2,500 or more for capitalizing equipment, furniture, and fixtures. The threshold for infrastructure and improvements is \$25,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not established.

Capital outlays are recorded as expenditures in the governmental fund financial statements and as assets in the Government-Wide financial statements. In accordance with GASB 34, the Town has elected not to capitalize infrastructure retroactively. Depreciation is recorded on general fixed assets on a Government-Wide basis. Capital outlays of the proprietary fund are recorded as fixed assets and depreciated over their estimated useful lives on both the fund basis and the Government-Wide basis.

TOWN OF ABITA SPRINGS, LOUISIANA

Notes to the Financial Statements

December 31, 2024

All capital assets, other than land and works of art that are inexhaustible, are depreciated using the straight-line method over the following useful lives:

| <u>Asset</u>                        | <u>Years</u> |
|-------------------------------------|--------------|
| Infrastructure                      | 40           |
| Buildings and building improvements | 20-40        |
| Utility systems                     | 30-40        |
| Furniture and fixtures              | 7            |
| Vehicles                            | 5            |
| Equipment                           | 3-15         |

Fund Equity

Government-Wide and Proprietary Fund Statements – equity is classified as net position and displayed in three components:

1. Net Investment in Capital Assets – Consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation.
2. Restricted – This component of net position consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted – All other net position is reported in this category.

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

1. Nonspendable Fund Balance - Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
2. Restricted Fund Balance – Amounts that are restricted to specific purposes imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments.
3. Committed Fund Balance – Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Aldermen.
4. Unassigned Fund Balance – All amounts not included in other spendable classifications.

Interfund Transactions

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

TOWN OF ABITA SPRINGS, LOUISIANA

Notes to the Financial Statements

December 31, 2024

Use of 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 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 these estimates.

(2) Stewardship, Compliance, and Accountability

Deposit and Investment Laws and Regulations

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. At December 31, 2024, the Town was in compliance with the deposit and investment laws and regulations.

(3) Cash, Cash Equivalents, and Investments

Custodial Credit Risk

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

As of December 31, 2024, \$442,818 of the Town's bank balance of \$692,818 was exposed to custodial credit risk. However, these deposits are secured from risk by the pledge of securities owned by the fiscal agent bank.

The following is a reconciliation of cash and cash equivalents per the statement of net position of the proprietary fund to the cash and cash equivalents per the statement of cash flows:

Cash and cash equivalents at December 31, 2024 are as follows:

|  |                       |
|--|-----------------------|
| Unrestricted   | \$ 194,228            |
| Restricted:  |                       |
| Meter deposits   | 24,544                |
| Bond sinking   | 75,476                |
| Bond reserve   | 5,662                 |
| Capital additions and contingency                                    | 9,178                 |
| Sewer debt service   | <u>6,245</u>          |
| Total restricted   | \$ <u>121,105</u>     |
| <br>Total cash and cash equivalents<br>per Statement of Net Position | <br>\$ <u>315,333</u> |

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Notes to the Financial Statements**

**December 31, 2024**

**Investments**

At December 31, 2024, the Town had an investment of \$4,596,486 with the Louisiana Asset Management Pool (LAMP), which is included in investments. LAMP is stated at amortized cost and is therefore not included in the fair value hierarchy.

**(4) Accounts Receivable**

The accounts receivable, net at December 31, 2024, were as follows:

| <u>Description</u> | <u>General<br/>Fund</u> | <u>Debt<br/>Service<br/>Fund</u> | <u>Special<br/>Revenue<br/>Funds</u> | <u>Proprietary<br/>Fund</u> | <u>Total</u>        |
|--------------------|-------------------------|----------------------------------|--------------------------------------|-----------------------------|---------------------|
| Taxes              |                         |                                  |                                      |                             |                     |
| Property           | \$ 206,382              | \$ 139,144                       | \$ 78,693                            | -                           | \$ 424,219          |
| Sales and use      | 78,302                  | -                                | 383,392                              | -                           | 461,694             |
| Other              | 99,810                  | -                                | -                                    | -                           | 99,810              |
| Utility accounts   | <u>-</u>                | <u>-</u>                         | <u>-</u>                             | <u>213,614</u>              | <u>213,614</u>      |
| Totals             | <u>\$ 384,494</u>       | <u>\$ 139,144</u>                | <u>\$ 462,085</u>                    | <u>\$ 213,614</u>           | <u>\$ 1,199,337</u> |

Allowance for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Total allowance for doubtful accounts amounted to \$9,059 for the governmental funds and \$15,000 for the business-type activities.

**(5) Property Taxes**

Property taxes are normally levied and billed in November of each year and are due by December 31<sup>st</sup> of the year levied. Revenues are recognized when levied to the extent they are determined to be currently collectible. Property taxes are billed and collected using the assessed values determined by the Tax Assessor of St. Tammany Parish. The property taxes receivable is recorded net of allowance of \$9,059 on the accompanying balance sheet. For the year ended December 31, 2024, the Town levied taxes of 6.87 mills for general purposes, 5.00 mills for debt service, 2.62 mill for town lighting, and 2.62 mills for parks and playground expenditures.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Notes to the Financial Statements**

**December 31, 2024**

The following are the principal taxpayers and related property tax revenue for the entity:

|                                  | <u>Assessed<br/>Valuation</u> | <u>% of Total<br/>Assessed<br/>Value</u> |
|----------------------------------|-------------------------------|--|
| Abita Lumber Co Inc.             | 732,916                       | 2.70%                                    |
| Central LA Elec Co.              | 755,820                       | 2.42%                                    |
| Home Bank                        | 325,155                       | 1.04%                                    |
| Longbranch Real Estate Holdings  | 322,276                       | 1.03%                                    |
| Exchangeright, Net Leased        | 287,279                       | 0.92%                                    |
| Phillips Building Supply         | 239,205                       | 0.77%                                    |
| Victory Life / Inglesia Hispania | 193,654                       | 0.62%                                    |
| R4 Holdings, LLC                 | 179,116                       | 0.57%                                    |
| Citizens Bank & Trust            | 162,252                       | 0.52%                                    |
| Spectrum Gulf Coast LLC          | <u>161,082</u>                | <u>0.52%</u>                             |
|                                  | <u>\$ 3,358,755</u>           | <u>11.11%</u>                            |

**(6) Capital Assets**

The following is a summary of the changes in capital assets for the fiscal year ended December 31, 2024:

|   | <u>Balance<br/>1/1/2024</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance<br/>12/31/2024</u> |
|---|-----------------------------|------------------|------------------|-------------------------------|
| <b><u>Government Activities</u></b>           |                             |                  |                  |                               |
| <b>Capital assets not being depreciated:</b>  |                             |                  |                  |                               |
| Works of art                                  | \$ 40,000                   | -                | -                | 40,000                        |
| Construction in progress                      | 35,602                      | 1,119,093        | -                | 1,154,695                     |
| Software in Progress                          | -                           | 14,972           | -                | 14,972                        |
| Land  | <u>211,061</u>              | <u>310,584</u>   | -                | <u>521,645</u>                |
| Total capital assets not<br>being depreciated | <u>286,663</u>              | <u>1,444,649</u> | -                | <u>1,731,312</u>              |
| <b>Capital assets being depreciated:</b>      |                             |                  |                  |                               |
| Infrastructure                                | 2,231,127                   | -                | -                | 2,231,127                     |
| Culture and recreation                        | 515,843                     | -                | -                | 515,843                       |
| Machinery and equipment                       | 1,420,072                   | 6,697            | (202,421)        | 1,224,348                     |
| Office equipment and furniture                | 221,615                     | -                | (9,217)          | 212,398                       |
| Buildings and building improvements           | 1,200,761                   | 239,601          | -                | 1,440,362                     |
| Police machinery and equipment                | 3,535                       | -                | -                | 3,535                         |
| Police furniture and fixtures                 | <u>1,197</u>                | -                | -                | <u>1,197</u>                  |
| Total capital assets<br>being depreciated     | <u>5,594,150</u>            | <u>246,298</u>   | <u>(211,638)</u> | <u>5,628,810</u>              |

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Notes to the Financial Statements**

**December 31, 2024**

**Accumulated depreciation for:**

|  |                     |                  |                 |                    |
|--|---------------------|------------------|-----------------|--------------------|
| <b>Infrastructure</b>                                  | (1,326,300)         | (96,732)         | -               | (1,423,032)        |
| <b>Culture and recreation</b>                          | (169,114)           | (15,031)         | -               | (184,145)          |
| <b>Machinery and equipment</b>                         | (981,043)           | (123,630)        | 160,708         | (943,965)          |
| <b>Office equipment and furniture</b>                  | (106,468)           | (27,466)         | 9,217           | (124,717)          |
| <b>Buildings and building improvements</b>             | (351,087)           | (35,715)         | -               | (386,802)          |
| <b>Police machinery and equipment</b>                  | (3,535)             | -                | -               | (3,535)            |
| <b>Police furniture and fixtures</b>                   | (1,197)             | -                | -               | (1,197)            |
| <b>Total accumulated depreciation</b>                  | <u>(2,938,744)</u>  | <u>(298,574)</u> | <u>169,925</u>  | <u>(3,067,393)</u> |
| <b>Total capital assets<br/>being depreciated, net</b> | <u>2,655,406</u>    | <u>(52,276)</u>  | <u>(41,713)</u> | <u>2,561,417</u>   |
| <b>Governmental activities<br/>capital assets, net</b> | <u>\$ 2,942,069</u> | <u>1,392,373</u> | <u>(41,713)</u> | <u>4,292,729</u>   |

**Depreciation was charged to governmental functions as follows:**

|                               |                          |
|-------------------------------|--------------------------|
| <b>General government</b>     | <b>\$ 281,986</b>        |
| <b>Culture and recreation</b> | <b><u>16,588</u></b>     |
| <b>Total</b>                  | <b><u>\$ 298,574</u></b> |

|   | Balance<br>January 1,<br><u>2024</u> | (Note 13)<br>Prior<br>Period<br><u>Adjustment</u> | (Restated)<br>Balance<br>January 1,<br><u>2024</u> | <u>Increases</u> | <u>Decreases</u> | Balance<br>December 31,<br><u>2024</u> |
|---|--------------------------------------|---|--|------------------|------------------|--|
| <b><u>Business-Type Activities</u></b>                    |                                      |   |  |                  |                  |  |
| <b>Capital assets not being depreciated:</b>              |                                      |   |  |                  |                  |  |
| Construction in progress                                  | \$ 4,955,192                         | (4,955,192)                                       | -  | 778,209          | -                | 778,209                                |
| Software in progress                                      | -                                    | 26,429  | 26,429   | 15,911           | (42,340)         | -                                      |
| <b>Total capital assets not being<br/>    depreciated</b> | <u>4,955,192</u>                     | <u>(4,928,763)</u>                                | <u>26,429</u>                                      | <u>794,120</u>   | <u>(42,340)</u>  | <u>778,209</u>                         |
| <b>Capital assets being depreciated:</b>                  |                                      |   |  |                  |                  |  |
| Software  | -                                    | -   | -  | 42,340           | -                | 42,340                                 |
| Gas distribution system                                   | 150,035                              | -   | 150,035  | -                | -                | 150,035                                |
| Water distribution system                                 | 1,795,605                            | -   | 1,795,605  | -                | -                | 1,795,605                              |
| Sewer plant and lines                                     | 2,951,996                            | 4,955,192   | 7,907,188  | -                | -                | 7,907,188                              |
| Vehicles  | 17,600                               | -   | 17,600   | -                | -                | 17,600                                 |
| Machinery and equipment                                   | 169,367                              | -   | 169,367  | -                | (39,359)         | 130,008                                |
| Buildings and<br>building improvements                    | <u>35,808</u>                        | <u>-</u>  | <u>35,808</u>                                      | <u>-</u>         | <u>-</u>         | <u>35,808</u>                          |
| <b>Total capital assets being<br/>    depreciated</b>     | <u>5,120,411</u>                     | <u>4,955,192</u>                                  | <u>10,075,603</u>                                  | <u>42,340</u>    | <u>(39,359)</u>  | <u>10,078,584</u>                      |

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Notes to the Financial Statements**

**December 31, 2024**

|   |                     |                  |                    |                  |                 |                    |
|---|---------------------|------------------|--------------------|------------------|-----------------|--------------------|
| <b>Accumulated depreciation for:</b>              |                     |                  |                    |                  |                 |                    |
| Software  | -                   | -                | -                  | (2,823)          | -               | (2,823)            |
| Gas distribution system                           | (72,734)            | -                | (72,734)           | (4,324)          | -               | (77,058)           |
| Water distribution system                         | (1,236,600)         | -                | (1,236,600)        | (38,591)         | -               | (1,275,191)        |
| Sewer plant and lines                             | (2,036,096)         | (156,845)        | (2,192,941)        | (198,398)        | -               | (2,391,339)        |
| Vehicles  | (17,600)            | -                | (17,600)           | -                | -               | (17,600)           |
| Machinery and equipment                           | (103,375)           | -                | (103,375)          | (12,660)         | 39,359          | (76,676)           |
| Buildings and building improvements               | (22,984)            | -                | (22,984)           | (1,194)          | -               | (24,178)           |
| <b>Total accumulated depreciation</b>             | <b>(3,489,389)</b>  | <b>(156,845)</b> | <b>(3,646,234)</b> | <b>(257,990)</b> | <b>39,359</b>   | <b>(3,864,865)</b> |
| <b>Total capital asset being depreciated, net</b> | <b>1,631,022</b>    | <b>4,798,347</b> | <b>6,429,369</b>   | <b>(215,650)</b> | <b>-</b>        | <b>6,213,719</b>   |
| <b>Total capital assets, net</b>                  | <b>\$ 6,586,214</b> | <b>(130,416)</b> | <b>6,455,798</b>   | <b>578,470</b>   | <b>(42,340)</b> | <b>6,991,928</b>   |

**(7) Employee Pension Plan**

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

**Plan Description**

The Municipal Employees' Retirement System of Louisiana (System) was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana to provide retirement benefits to employees of all incorporated villages, towns, and cities within the state, which did not have their own retirement system and which elected to become members of the System.

The System is administered by a Board of Trustees composed of eleven members, three of whom shall be active and contributing members of the System with at least ten years creditable service and who are elected to office in accordance with the Louisiana Election Code, three of whom shall be active and contributing members of the System with at least ten years creditable service and who are not elected officials; one of whom shall be president of the Louisiana Municipal Association who shall serve as an ex-officio member during his tenure; one of whom shall be the Chairman of the Senate Retirement Committee; and one of whom shall be the Chairman of the House Retirement Committee of the Legislature of Louisiana; the commissioner of administration, who shall be a nonvoting member; and the State Treasurer, who shall be a nonvoting member.

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

Act #569 of the year 1968 established by the Legislature of the State of Louisiana provides an optional method for municipalities to cancel Social Security and come under supplementary benefits in the Municipal Employees' Retirement System of Louisiana, effective on and after June 30, 1970.

Effective October 1, 1978, under Act #788, the "regular plan" and the "supplemental plan" were replaced, and are now known as Plan "A" and Plan "B." Plan A combines the original plan and the supplemental plan for those municipalities participating in both plans, while Plan B participates in only the original plan.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Notes to the Financial Statements**

**December 31, 2024**

**Plan Membership:**

The System provides retirement benefits to employees of all incorporated villages, towns, and cities within the State which do not have their own retirement system and which elect to become members of the System. For the year ended June 30, 2024, there were 87 contributing municipalities in Plan A and 70 in Plan B.

**Eligibility Requirements:**

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the System with exceptions as outlined in the statutes.

Any person eligible for membership but whose first employment making him eligible for membership in the System occurred on or after January 1, 2013 shall become a member of the MERS Plan A Tier 2 or MERS Plan B Tier 2 of the System as a condition of employment.

**Retirement Benefits:**

Benefit provisions are authorized within Act 356 of the 1954 regular session and amended by LRS 11:1756- 11:1785. The following brief description of the plan and its benefits is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Any member of Plan A who commenced participation in the System prior to January 1, 2013 can retire providing he meets one of the following criteria:

1. Any age with twenty-five (25) or more years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.
3. Any age with twenty (20) years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarially reduced early benefit.

Generally, the monthly amount of the retirement allowance for any member of Plan A shall consist of an amount equal to three percent of the member's monthly average final compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. An additional regular retirement benefit can be received for any city marshal or deputy city marshal. See Plan Booklet for further details.

Any member of Plan A Tier 2 can retire providing he meets one of the following requirements.

1. Age 67 with seven (7) or more years of creditable service
2. Age 62 with ten (10) or more years of creditable service
3. Age 55 with thirty (30) or more years of creditable service
4. Any age with twenty-five (25) years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarially reduced early benefit.

TOWN OF ABITA SPRINGS, LOUISIANA

Notes to the Financial Statements

December 31, 2024

Generally, the monthly amount of retirement allowance for any member of Plan A Tier 2 shall consist of an amount equal to three percent of the member's final average compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. Any city marshal or deputy city marshal shall receive an additional regular benefit computed on supplemental marshal's earnings. See Plan booklet for further details.

**Survivor Benefits:**

Upon death of any member of Plan A with five (5) or more years of creditable service, not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children as outlined in the statutes.

Any member of Plan A who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

Any member of Plan A or Plan B who had not withdrawn their accumulated contributions and had at least twenty years of service credit at time of death, surviving spouse shall receive benefits for as long as he/she lives as outlined in the statutes.

**DROP Benefits:**

In lieu of terminating employment and accepting a service retirement allowance, any member of Plan A or B who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. If a participant dies during the participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in the System.

# TOWN OF ABITA SPRINGS, LOUISIANA

## Notes to the Financial Statements

December 31, 2024

### Disability Benefits:

For Plan A, a member shall be eligible to retire and receive a disability benefit if he has at least five years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of forty-five percent of his final average compensation or three percent of his final average compensation multiplied by his years of creditable service, whichever is greater, or an amount equal to three percent of the member's final average compensation multiplied by his years of creditable service projected to his earliest normal retirement age.

### Cost of Living Increases:

The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant additional cost of living increases to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

### Deferred Benefits:

Both Plans provide for deferred benefits for members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable. Benefits are based on statutes in effect at time of withdrawal.

### Funding Policy

For the twelve months ended December 31, 2024, members of the System are required to contribute 10.0% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. At December 31, 2024, the employer contribution rate was 29.5%. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

### Contributions

According to state statute, for the System, contribution requirements for all employees are actuarially determined each year. State statute requires covered employees to contribute a percentage of their salaries to the System. For the year ending December 31, 2024, the actual employer contribution rate and the actuarially determined employer contribution rate is listed below. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective.

The amount of the Town's employer contributions to the System for the year ended December 31, 2024 was \$197,939. The District's covered payroll for the System for the year ended December 31, 2024 was \$690,429.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Notes to the Financial Statements**

**December 31, 2024**

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

At December 31, 2024, the Town reported a liability totaling \$861,443 for its proportionate share of the net pension liability for the System. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Town's proportion of the Net Pension Liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the Town's proportion was 0.306128% for the System, which was an increase of 0.003139% from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the Town recognized pension expense for the System totaling \$106,707. Subtracted from pension expense is the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions totaling \$12,964 for the System.

For the year ended December 31, 2024, the Town recognized revenue from ad valorem taxes and revenue sharing funds received by the System. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities totaling \$25,054.

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

|   | <u>Deferred<br/>Outflows<br/>of Resources</u> | <u>Deferred<br/>Inflows<br/>of Resources</u> |
|---|---|--|
| Differences between expected and actual experience  | \$ -  | (28,516)                                     |
| Change in assumptions   | -   | (5,086)                                      |
| Net difference between projected and actual earnings on pension plan investments                              | 11,604  | -  |
| Changes in proportion and differences between Employer contributions and proportionate share of contributions | 8,016   | (13,484)                                     |
| Employer contributions subsequent to measurement date   | <u>107,097</u>                                | <u>-</u>                                     |
|   | <u>\$ 126,717</u>                             | <u>(47,086)</u>                              |

TOWN OF ABITA SPRINGS, LOUISIANA

Notes to the Financial Statements

December 31, 2024

Employer contributions subsequent to the measurement date totaling \$107,097 and reported as deferred outflows of resources will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended:

|               |                    |
|---------------|--------------------|
| June 30, 2025 | \$ (28,450)        |
| June 30, 2026 | 52,834             |
| June 30, 2027 | (30,463)           |
| June 30, 2028 | <u>(21,387)</u>    |
| Total         | \$ <u>(27,466)</u> |

*Actuarial Assumptions*

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

|                                  |  |
|----------------------------------|--|
| Valuation Date                   | June 30, 2024  |
| Actuarial Cost Method            | Entry Age Normal Cost  |
| Actuarial Assumptions:           |  |
| Investment Rate of Return        | 6.85%, net of pension plan investment expense, including inflation   |
| Inflation Rate                   | 2.5%   |
| Mortality                        | PubG-2010(B) Employee Table for active members<br>PubG-2010(B) Healthy Retiree Table for healthy annuitants<br>PubNS-2010(B) Disabled Retiree Table for disabled annuitants. |
| Expected Remaining Service Lives | 2023 – 3 years for Plan A; 2022 – 3 years for Plan A   |

*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.

# TOWN OF ABITA SPRINGS, LOUISIANA

## Notes to the Financial Statements

December 31, 2024

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:

| <u>Asset Class</u>                 | <u>Target<br/>Asset Allocation</u> | <u>Long-Term Expected<br/>Portfolio Real<br/>Rate of Return</u> |
|------------------------------------|------------------------------------|---|
| Public equity                      | 56%                                | 2.44%   |
| Public fixed income                | 29%                                | 1.26%   |
| Alternatives                       | <u>15%</u>                         | <u>0.65%</u>  |
| Totals                             | <u>100%</u>                        | <u>4.35%</u>  |
| Inflation                          |                                    | <u>2.50%</u>  |
| Expected arithmetic nominal return |                                    | <u>6.85%</u>  |

### *Discount Rate:*

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. 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. The Expected Remaining Service Lives (ERSL) for 2023 is 3 years for Plan A and 3 years for Plan B.

### *Sensitivity to Changes in Discount Rate:*

The following presents the net pension liability of the System calculated using the discount rate of 6.85%, as well as what the System's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.85%) or one percentage point higher (7.85%) than the current discount rate (assuming all other assumptions remain unchanged):

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Notes to the Financial Statements**

**December 31, 2024**

Changes in discount for years ending June 30, 2024 for Plan A are as follows:

|  | <b>1% Decrease<br/>(5.85%)</b> | <b>Current<br/>Discount<br/>Rate (6.85%)</b> | <b>1% Increase<br/>(7.85%)</b> |
|--|--------------------------------|--|--------------------------------|
| Employer’s proportionate share<br>of the net pension liability | <u>\$ 1,297,207</u>            | <u>861,443</u>                               | <u>493,584</u>                 |

*Retirement System Audit Report:*

The Municipal Employees' Retirement System of Louisiana has issued a stand-alone audit report on their financial statements for the year ended June 30, 2024. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.la.gov](http://www.la.gov), or by contacting the Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

**(8) Long-Term Debt**

The following is a summary of the changes in long-term debt for the fiscal year ended December 31, 2024:

|                              | <u>Governmental<br/>Activities</u>  | <u>Business-Type Activities</u> |                  |
|------------------------------|-------------------------------------|---------------------------------|------------------|
|                              | <u>General<br/>Obligation Bonds</u> | <u>Revenue<br/>Bonds</u>        | <u>Total</u>     |
| Balance at January 1, 2024   | \$ 255,000                          | 5,789,822                       | 6,044,822        |
| Additions                    | -                                   | 257,194                         | 257,194          |
| Reductions                   | <u>40,000</u>                       | <u>404,000</u>                  | <u>444,000</u>   |
| Balance at December 31, 2024 | <u>\$ 215,000</u>                   | <u>5,643,016</u>                | <u>5,858,016</u> |
| Due within one year          | <u>\$ 40,000</u>                    | <u>474,000</u>                  | <u>514,000</u>   |

General obligation bonds are secured by an annual property tax levy. In accordance with Louisiana Revised Statute 39:562, the Town is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property in the municipality. At December 31, 2024, the Town had not exceeded this statutory limit. As of December 31, 2024, there was \$320,774 available in the Debt Service Fund and \$272,013 in the Proprietary Fund to service the general obligation bonds.

Long-term debt was composed of the following at December 31, 2024:

*General Obligation Bonds:*

|   |                   |
|---|-------------------|
| \$500,000 General Obligation Bonds Series 2014, due in annual installments through March 2029; interest paid semi-annually ranging from 1.50% to 3.00% secured by ad valorem tax. | <b>\$ 215,000</b> |
|---|-------------------|

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Notes to the Financial Statements**

**December 31, 2024**

**Revenue Bonds:**

|   |                            |
|---|----------------------------|
| <b>\$350,000 Utility Refunding Bonds dated January 8, 2004, due in annual installments through March 1, 2030; including interest from from 3% to 5.25%; secured by revenues of the Utility System.</b>  | <b>121,000</b>             |
| <b>\$6,000,000 Utility Revenue Bonds dated December 6, 2017, in connection with a loan from the State of Louisiana, Department of Environmental Quality (DEQ) to construct sewer improvements. DEQ is holding the bonds as payment for the loan. This amounts represents the total drawdown of these bonds to date. Includes interest of 0.45% secured by revenues of the Utility System.</b> | <b>4,184,016</b>           |
| <b>\$800,000 Limited Tax Refunding Bonds Series 2019, due in annual installments through September 2029; interest paid semi-annually ranging from 1.375% to 2.750% secured by ad valorem tax.</b>   | <b>558,000</b>             |
| <b>\$1,000,000 General Obligation Bonds Series 2020, due in annual installments through March 2035; interest paid semi-annually ranging from 0.956% to 1.912% secured by ad valorem tax.</b>  | <b><u>780,000</u></b>      |
| <b>Total long-term debt</b>   | <b>5,858,016</b>           |
| <b>Less current portion</b>   | <b><u>514,000</u></b>      |
| <b>Long-term debt, excluding current portion</b>  | <b><u>\$ 5,344,016</u></b> |

A summary of future maturities of long-term debt as of December 31, 2024 is as follows:

| <b>For the Year<br/>Ended December 31:</b> | <b>General Obligation Bonds</b> |                      | <b>Revenue Bonds</b>    |                       |
|--|---------------------------------|----------------------|-------------------------|-----------------------|
|  | <b>Principal</b>                | <b>Interest</b>      | <b>Principal</b>        | <b>Interest</b>       |
| 2025                                       | \$ 40,000                       | 19,508               | 474,000                 | 35,475                |
| 2026                                       | 40,000                          | 15,818               | 483,000                 | 32,261                |
| 2027                                       | 45,000                          | 11,926               | 490,000                 | 28,980                |
| 2028                                       | 45,000                          | 8,503                | 498,000                 | 24,444                |
| 2029                                       | 45,000                          | 2,943                | 504,000                 | 22,664                |
| 2030-2034                                  | -                               | -                    | 1,952,000               | 63,329                |
| 2035-2039                                  | <u>-</u>                        | <u>-</u>             | <u>1,242,016</u>        | <u>5,320</u>          |
|  | <b><u>\$ 215,000</u></b>        | <b><u>58,698</u></b> | <b><u>5,643,016</u></b> | <b><u>212,473</u></b> |

Interest costs incurred and charged to expense for the year ended December 31, 2024 was \$55,321.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Notes to the Financial Statements**

**December 31, 2024**

**(9) Restricted Assets**

The Town has approved resolutions authorizing the issuance of \$350,000 of Utility Refunding Bonds dated January 8, 2004, \$250,000 of Utility Revenue Bonds dated December 1, 2004, \$800,000 of Utility Refunding Bonds dated October 16, 2019, and \$1,000,000 General Obligation Bonds dated March 26, 2020. Each of the resolutions provide for certain restrictions on assets of the proprietary fund. The following reserve requirements have been met for the year ended December 31, 2024:

1. **Revenue Bond Sinking Fund** - The resolution called for the establishment and maintenance of a Utilities Revenue Bond and Sinking Fund sufficient in amount to pay promptly and in full the principal of and the interest on bonds authorized as they become due and payable.
2. **Revenue Bond Reserve Fund** - The resolution called for the establishment of a Revenue Bond Reserve Fund by depositing with the designated fiscal agent bank of the Town until such time as there has been accumulated in said Reserve Fund a sum equal to the highest combined principal and interest payment in any year of the bond. The sole purpose of this fund is to pay the principal of and the interest on the bonds payable from the Revenue Bond Reserve Fund as to which these would otherwise be in default.
3. **Depreciation and Contingency Fund** - The resolution called for the establishment and maintenance of a Depreciation and Contingency Fund to care for depreciation, extensions, additions, improvements, and replacements necessary to properly operate the system. Regular deposits of \$416 per month are to be deposited with the regularly designated fiscal agent bank of the Town.
4. **Meter Deposit Fund** - The Town established a Meter Deposit Fund to help maintain customer meter deposits on hand, as well as to help control customer meter deposits received.

**(10) Interfund Receivables/Payable**

The primary purpose of interfund receivables/payables is to loan monies between funds to cover current expenditures. Individual fund balances due from/to other funds at December 31, 2024, were as follows:

|                          | <u>Due From</u>   | <u>Due To</u>     |
|--------------------------|-------------------|-------------------|
| <b>General Fund:</b>     |                   |                   |
| Proprietary Fund         | \$ 71,012         | \$ -              |
| Cemetery Fund            | -                 | 50,991            |
| <b>Proprietary Fund:</b> |                   |                   |
| General Fund             | -                 | 71,012            |
| <b>Cemetery Fund:</b>    |                   |                   |
| General Fund             | <u>50,991</u>     | <u>-</u>          |
|                          | <u>\$ 122,003</u> | <u>\$ 122,003</u> |

All interfund receivables/payables are considered short-term, as they are expected to be repaid within the next fiscal year.

TOWN OF ABITA SPRINGS, LOUISIANA

Notes to the Financial Statements

December 31, 2024

(11) Intergovernmental Agreement

The Town entered into an intergovernmental agreement with St. Tammany Parish, Louisiana, effective December 21, 2006, for the sharing of sales tax revenue generated in Sales Tax District No. 3. Proceeds from the tax shall be used for projects that benefit residents of Sales Tax District No. 3. As of December 31, 2024, \$58,063 was restricted for use in Sales Tax District No. 3.

(12) Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2024, the Town carried insurance through various commercial carriers to cover certain risks of loss.

During 2019, the Town and its insurer defended a case against Lonesome Development, LLC. The trial court ruled in favor of Lonesome Development, LLC awarding them \$4,900,000 plus attorney fees in the amount of \$1,018,361. The ruling in this case against the Town was upheld by the Louisiana Supreme Court in November, 2022. The judgement is final. As of December 31, 2024, the Town has recorded a claim payable of \$5,918,361 on the Government-Wide statement of financial position as a result of this case.

(13) Prior Period Adjustments

The Town recorded the following prior period adjustments for the year ending December 31, 2024:

Governmental Fund Financial Statements:

|  | <b>Increase (Decrease)<br/><u>In Net Position/Fund Balance</u></b> |
|--|--|
| To consolidate Equity in Pooled Cash accounts and correct classification for Due To/Due From | \$ (419,791)   |
| To close out old accounts receivable   | (21,501)   |
| To correct balances in accounts payable  | <u>24,840</u>  |
|  | <u>\$ (416,452)</u>  |

Proprietary Fund Financial Statements:

|  | <b>Increase (Decrease)<br/><u>In Net Position</u></b> |
|--|---|
| To record capitalization of construction in progress to fixed assets, correct fund balance, and accumulated depreciation | \$ (156,845)  |
| To record software capitalization from prior year, capitalize current year, and record depreciation                      | 26,429  |
| To consolidate Equity in Pooled Cash accounts and correct classification for Due To/Due From                             | <u>419,791</u>  |
|  | <u>\$ 289,375</u>                                     |

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Notes to the Financial Statements**

**December 31, 2024**

**(14) Related Party Transactions**

The Town's management and Board of Aldermen have reviewed all transactions for the year ended December 31, 2024 and determined that there were no related party transactions or relationships requiring disclosure under generally accepted accounting principles.

**(15) Subsequent Events**

The Town evaluated subsequent events through January 20, 2026, the date which the financial statements were available to be issued.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Budget and Actual - General Fund**

**For the Year Ended December 31, 2024**

|  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>    | <u>Variance With<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|--|----------------------------|-------------------------|------------------|---|
| <b>Revenues:</b>   |                            |                         |                  |   |
| <b>Taxes</b>   |                            |                         |                  |   |
| Property taxes   | \$ 196,500                 | 196,500                 | 229,527          | 33,027  |
| Franchise taxes  | 130,000                    | 130,000                 | 129,786          | (214)   |
| Sales taxes  | 408,000                    | 408,000                 | 623,924          | 215,924   |
| Other  | 5,000                      | 5,000                   | 6,525            | 1,525   |
| Licenses and permits                                     | 125,500                    | 125,500                 | 121,638          | (3,862)   |
| Insurance licenses                                       | 62,000                     | 62,000                  | 126,285          | 64,285  |
| Rentals  | 25,000                     | 25,000                  | 9,943            | (15,057)  |
| Fines and forfeitures                                    | 71,000                     | 71,000                  | 29,542           | (41,458)  |
| Interest income  | 90,000                     | 90,000                  | 74,367           | (15,633)  |
| Other revenues   | 1,972,200                  | 1,972,200               | 810,386          | (1,161,814)   |
| <b>Total revenues</b>                                    | <u>3,085,200</u>           | <u>3,085,200</u>        | <u>2,161,923</u> | <u>(923,277)</u>  |
| <b>Expenditures:</b>                                     |                            |                         |                  |   |
| General government                                       | 2,387,000                  | 2,387,000               | 1,337,065        | 1,049,935   |
| Public safety  | 179,500                    | 179,500                 | 223,965          | (44,465)  |
| Clerk of court   | 18,700                     | 18,700                  | 27,021           | (8,321)   |
| Capital outlay   | 500,000                    | 500,000                 | 559,185          | (59,185)  |
| <b>Total expenditures</b>                                | <u>3,085,200</u>           | <u>3,085,200</u>        | <u>2,147,236</u> | <u>937,964</u>  |
| <b>Excess of revenues over<br/>expenditures</b>          | <u>-</u>                   | <u>-</u>                | <u>14,687</u>    | <u>14,687</u>   |
| <b>Other financing sources (uses):</b>                   |                            |                         |                  |   |
| Operating transfers in                                   | -                          | -                       | 2,024,650        | 2,024,650   |
| Operating transfers out                                  | -                          | -                       | (942,254)        | (942,254)   |
| <b>Total other financing<br/>    sources (uses)</b>      | <u>-</u>                   | <u>-</u>                | <u>1,082,396</u> | <u>1,082,396</u>  |
| <b>Net change in fund balances</b>                       | <u>-</u>                   | <u>-</u>                | <u>1,097,083</u> | <u>1,097,083</u>  |
| <b>Fund balances, beginning of year</b>                  | (73,130)                   | (73,130)                | 590,014          |   |
| <b>Prior period adjustment</b>                           | <u>-</u>                   | <u>-</u>                | <u>(441,292)</u> |   |
| <b>Fund balances, beginning of year,<br/>as restated</b> | <u>-</u>                   | <u>-</u>                | <u>148,722</u>   |   |
| <b>Fund balances, end of year</b>                        | <u>\$ (73,130)</u>         | <u>(73,130)</u>         | <u>1,245,805</u> |   |

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Budget and Actual - General Fund**

**For the Year Ended December 31, 2024**

|  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>    | <u>Variance With<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|--|----------------------------|-------------------------|------------------|---|
| <b>General Government</b>                        |                            |                         |                  |   |
| Salaries   | \$ 250,000                 | 250,000                 | 293,443          | (43,443)  |
| Repairs and maintenance                          | 15,200                     | 15,200                  | 32,174           | (16,974)  |
| Employee insurance and benefits                  | 50,000                     | 50,000                  | 55,402           | (5,402)   |
| Insurance  | 35,000                     | 35,000                  | 26,400           | 8,600   |
| Accounting and auditing                          | 15,000                     | 15,000                  | 6,553            | 8,447   |
| Aldermen   | 38,000                     | 38,000                  | 37,772           | 228   |
| Retirement                                       | 40,000                     | 40,000                  | 49,137           | (9,137)   |
| Utilities  | 10,000                     | 10,000                  | 16,801           | (6,801)   |
| Legal  | 60,000                     | 60,000                  | 142,733          | (82,733)  |
| Office supplies                                  | 15,000                     | 15,000                  | 9,368            | 5,632   |
| Auto gas   | 1,000                      | 1,000                   | 1,109            | (109)   |
| Miscellaneous                                    | 1,776,200                  | 1,776,200               | 568,765          | 1,207,435   |
| Telephone  | 6,000                      | 6,000                   | 9,193            | (3,193)   |
| Payroll taxes                                    | 8,000                      | 8,000                   | 10,757           | (2,757)   |
| Conventions and travel                           | 100                        | 100                     | 125              | (25)  |
| Advertising and publication                      | 15,000                     | 15,000                  | 21,399           | (6,399)   |
| Inspections                                      | 16,000                     | 16,000                  | 18,550           | (2,550)   |
| St. Tammany Parish Assessor                      | 5,000                      | 5,000                   | 7,246            | (2,246)   |
| Senior citizens                                  | 1,000                      | 1,000                   | 1,812            | (812)   |
| Postage  | 500                        | 500                     | 913              | (413)   |
| Payroll processing fees                          | 6,000                      | 6,000                   | 6,826            | (826)   |
| Dues and subscriptions                           | 3,000                      | 3,000                   | 2,792            | 208   |
| Auto repairs and maintenance                     | 1,000                      | 1,000                   | 944              | 56  |
| Janitorial expense                               | 20,000                     | 20,000                  | 16,851           | 3,149   |
| <b>Total general government<br/>    expenses</b> | <b>\$ 2,387,000</b>        | <b>2,387,000</b>        | <b>1,337,065</b> | <b>1,049,935</b>  |

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Budget and Actual - Shared Sales Tax Fund**

**For the Year Ended December 31, 2024**

|   | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b> | <b>Variance With<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</b> |
|---|----------------------------|-------------------------|---------------|---|
| <b>Revenues:</b>                        |                            |                         |               |   |
| Sales taxes                             | \$ 400,000                 | 400,000                 | 416,328       | 16,328  |
| Interest                                | 9,000                      | 9,000                   | 7,037         | (1,963)   |
| Grant income                            | 300,000                    | 300,000                 | 300,000       | -   |
| Total revenues                          | 709,000                    | 709,000                 | 723,365       | 14,365  |
| <b>Expenditures:</b>                    |                            |                         |               |   |
| Public works                            | 24,700                     | 24,700                  | 80,035        | (55,335)  |
| Capital outlay                          | 1,086,800                  | 1,086,800               | 1,119,094     | (32,294)  |
| Total expenditures                      | 1,111,500                  | 1,111,500               | 1,199,129     | (87,629)  |
| Excess of revenues over<br>expenditures | (402,500)                  | (402,500)               | (475,764)     | (73,264)  |
| <b>Other financing sources (uses):</b>  |                            |                         |               |   |
| Operating transfers in                  | -                          | -                       | -             | -   |
| Operating transfers out                 | -                          | -                       | (565,357)     | (565,357)   |
| Total other financing<br>sources (uses) | -                          | -                       | (565,357)     | (565,357)   |
| Net change in fund balances             | (402,500)                  | (402,500)               | (1,041,121)   | (638,621)   |
| Fund balances, beginning of year        | 513,662                    | 913,662                 | 1,099,184     |   |
| Fund balances, end of year              | \$ 111,162                 | 511,162                 | 58,063        |   |

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Budget and Actual - Special Sales Tax Fund**

**For the Year Ended December 31, 2024**

|   | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b> | <b>Variance With<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</b> |
|---|----------------------------|-------------------------|---------------|---|
| <b>Revenues:</b>                              |                            |                         |               |   |
| Sales taxes                                   | \$ 560,000                 | 560,000                 | 623,925       | 63,925  |
| Other revenue                                 | 31,800                     | 31,800                  | 21,426        | (10,374)  |
| Total revenues                                | 591,800                    | 591,800                 | 645,351       | 53,551  |
| <b>Expenditures:</b>                          |                            |                         |               |   |
| Public works                                  | 541,800                    | 541,800                 | 416,738       | 125,062   |
| Capital outlay                                | 50,000                     | 50,000                  | 213           | 49,787  |
| Total expenditures                            | 591,800                    | 591,800                 | 416,951       | 174,849   |
| Excess of revenues over expenditures          | -                          | -                       | 228,400       | 228,400   |
| <b>Other financing sources (uses):</b>        |                            |                         |               |   |
| Operating transfers in                        | -                          | -                       | -             | -   |
| Operating transfers out                       | -                          | -                       | (876,014)     | (876,014)   |
| Total other financing sources (uses)          | -                          | -                       | (876,014)     | (876,014)   |
| Net change in fund balances                   | -                          | -                       | (647,614)     | (647,614)   |
| Fund balances, beginning of year              | 488,279                    | 488,279                 | 660,817       |   |
| Prior period adjustment                       | -                          | -                       | 24,840        |   |
| Fund balances, beginning of year, as restated | -                          | -                       | 685,657       |   |
| Fund balances, end of year                    | \$ 488,279                 | 488,279                 | 38,043        |   |

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Budget and Actual - Cemetery Fund**

**For the Year Ended December 31, 2024**

|   | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b> | <b>Variance With<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</b> |
|---|----------------------------|-------------------------|---------------|---|
| <b>Revenues:</b>                                |                            |                         |               |   |
| Sale of cemetery plots                          | \$ 40,000                  | 40,000                  | 18,000        | (22,000)  |
| Interest  | -                          | -                       | 11,864        | 11,864  |
| Total revenues                                  | 40,000                     | 40,000                  | 29,864        | (10,136)  |
| <b>Expenditures:</b>                            |                            |                         |               |   |
| Cemetery  | 40,000                     | 40,000                  | 37,833        | 2,167   |
| Total expenditures                              | 40,000                     | 40,000                  | 37,833        | 2,167   |
| <b>Excess of revenues over<br/>expenditures</b> | -                          | -                       | (7,969)       | (7,969)   |
| <b>Other financing sources (uses):</b>          |                            |                         |               |   |
| Operating transfers in                          | -                          | -                       | -             | -   |
| Operating transfers out                         | -                          | -                       | (11,990)      | (11,990)  |
| Total other financing<br>sources (uses)         | -                          | -                       | (11,990)      | (11,990)  |
| <b>Net change in fund balances</b>              | -                          | -                       | (19,959)      | (19,959)  |
| <b>Fund balances, beginning of year</b>         | 310,269                    | 310,269                 | 334,500       |   |
| <b>Fund balances, end of year</b>               | \$ 310,269                 | 310,269                 | 314,541       |   |

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Schedule of Employer's Proportionate Share of Net Pension Liability**

**Last 10 Fiscal Years**

|  | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Employer's proportion of net pension liability</b>  | 0.25075%    | 0.24957%    | 0.23905%    | 0.23468%    | 0.24195%    | 0.24866%    | 0.29508%    | 0.30226%    | 0.30927%    | 0.30613%    |
| <b>Employer's proportionate share of net pension liability</b>   | 895,718     | 1,022,903   | 1,000,047   | 971,746     | 1,011,010   | 1,075,042   | 820,763     | 1,255,365   | 1,130,329   | 861,443     |
| <b>Employer's covered-employee payroll</b>   | 427,968     | 445,813     | 434,132     | 428,575     | 447,888     | 475,262     | 584,301     | 579,299     | 618,231     | 620,581     |
| <b>Employer's proportionate share of net pension liability as a percentage of its covered-employee payroll</b> | 209%        | 229%        | 230%        | 227%        | 226%        | 226%        | 140%        | 217%        | 183%        | 139%        |
| <b>Plan fiduciary net position as a percentage of the total pension liability</b>                              | 66%         | 62%         | 62%         | 64%         | 65%         | 65%         | 78%         | 68%         | 72%         | 79%         |

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.*

See accompanying notes to required supplementary information.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Schedule of Employer's Pension Contributions**

**Last 10 Fiscal Years**

| <u>Date</u> | <u>Contractually<br/>Required<br/>Contribution</u> | <u>Contributions in<br/>Relation to<br/>Contractually<br/>Required<br/>Contribution</u> | <u>Contribution<br/>Deficiency<br/>(Excess)</u> | <u>Employer's<br/>Covered<br/>Employee<br/>Payroll</u> | <u>Contributions<br/>as a % of<br/>Covered<br/>Employee<br/>Payroll</u> |
|-------------|--|---|---|--|---|
| 2015        | 95,274   | 95,274  | -   | 482,402  | 19.7%   |
| 2016        | 87,626   | 87,626  | -   | 410,286  | 21.4%   |
| 2017        | 99,802   | 99,802  | -   | 420,565  | 23.7%   |
| 2018        | 110,229  | 110,229   | -   | 434,583  | 25.4%   |
| 2019        | 124,631  | 124,631   | -   | 463,898  | 26.9%   |
| 2020        | 152,136  | 152,136   | -   | 530,289  | 28.7%   |
| 2021        | 173,172  | 173,172   | -   | 587,021  | 29.5%   |
| 2022        | 177,297  | 177,297   | -   | 601,008  | 29.5%   |
| 2023        | 183,442  | 183,442   | -   | 621,839  | 29.5%   |
| 2024        | 197,939  | 197,939   | -   | 690,429  | 28.7%   |

*This schedule represents the employer contributions subsequent to the measurement date and recognized as a reduction of the net pension liability in future years.*

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Notes to Required Supplementary Information - Schedule of Employer's Proportionate Share of Net Pension Liability and Schedule of Employer's Pension Contributions**

**Last 10 Fiscal Years**

**Changes in Benefit Terms:**

There were no changes of benefit terms during any of the years presented.

**Changes in Assumptions:**

**Measurement Date: December 31, 2015:**

1. MERS lowered its assumption for the investment rate of return (discount rate) was from 7.75% to 7.5%.
2. MERS lowered its inflation rate assumption from 3% to 2.875%.

**Measurement Date: December 31, 2016:**

There were no changes of assumptions.

**Measurement Date: December 31, 2017:**

1. MERS lowered its assumption for the investment rate of return (discount rate) was from 7.5% to 7.4%.
2. MERS lowered its inflation rate assumption from 2.875% to 2.775%.

**Measurement Date: December 31, 2018:**

1. MERS lowered its assumption for the investment rate of return (discount rate) was from 7.4% to 7.275%.
2. MERS lowered its inflation rate assumption from 2.775% to 2.6%.

**Measurement Date: December 31, 2019:**

1. MERS lowered its assumption for the investment rate of return (discount rate) was from 7.275% to 7.0%.
2. MERS lowered its inflation rate assumption from 2.6% to 2.5%. MERS changed its projected salary increase from 5.0% to 6.4% for 1 to 4 years of service and 4.5% for more than 4 years of service.
3. MERS changed its mortality rates for active members from RP-2000 Employee Table to PubG-2010(B) Employee Table. MERS changed its mortality rates for healthy annuitants from RP-2000 Healthy Annuitant Table to PubG-2010(B) Healthy Retiree Table.
4. MERS changed its mortality rates for disabled annuitants from RP-200 Disabled Lives Morality Tables to PubNS-2010(B) Disabled Retiree Table.

**Measurement Date: December 31, 2020:**

1. MERS lowered its assumption for the investment rate of return (discount rate) from 7.0% to 6.95%.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Notes to Required Supplementary Information - Schedule of Employer's Proportionate Share of Net Pension Liability and Schedule of Employer's Pension Contributions**

**Last 10 Fiscal Years**

**Measurement Date: December 31, 2021:**

1. MERS lowered its assumption for the investment rate of return (discount rate) from 6.95% to 6.85%.

**Measurement Date: December 31, 2022:**

There were no changes of assumptions.

**Measurement Date: December 31, 2023:**

There were no changes of assumptions.

**Measurement Date: December 31, 2024:**

1. MERS changed the salary increases, including inflation and merit increases to 1 to 2 years of service: 9.0%-Plan A and 9.5%-Plan B, and more than years of service: 4.4%-Plan A and 4.6%-Plan B.
2. MERS changed its mortality rates for active members from PubG-2010(B) Employee Table to MP2021 scales. MERS changed its mortality rates for healthy annuitants from PubG-2010(B) Healthy Retiree Table to MP2021 scales.
3. MERS changed its mortality rates for disabled annuitants from PubNS-2010(B) Disabled Retiree Table to MP2021 scale.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Combining Balance Sheet**

**Non-Major Governmental Funds**

**December 31, 2024**

|   | <b>Lighting<br/>Special<br/>Revenue<br/>Fund</b> | <b>Park/<br/>Playgrounds<br/>Special<br/>Revenue<br/>Fund</b> | <b>2010 Debt<br/>Service<br/>Fund</b> | <b>Capital<br/>Projects<br/>Fund</b> | <b>Total<br/>Nonmajor<br/>Governmental<br/>Funds</b> |
|---|--|---|---------------------------------------|--------------------------------------|--|
| <b>Assets:</b>  |  |   |                                       |                                      |  |
| Cash and cash equivalents - restricted                              | \$ 56,474  | 53,483  | -                                     | -                                    | 109,957  |
| Investments   | -  | 76,203  | -                                     | -                                    | 76,203   |
| Receivables - property taxes, net                                   | 27,787   | 50,906  | -                                     | -                                    | 78,693   |
| Total assets  | \$ 84,261  | 180,592   | -                                     | -                                    | 264,853  |
| <b>Liabilities:</b>   |  |   |                                       |                                      |  |
| Accounts payable and other liabilities                              | -  | 1,056   | -                                     | -                                    | 1,056  |
| Accrued expenses  | -  | 710   | -                                     | -                                    | 710  |
| Total liabilities   | -  | 1,766   | -                                     | -                                    | 1,766  |
| <b>Deferred inflows of resources:</b>                               |  |   |                                       |                                      |  |
| Unavailable revenue - property taxes                                | 914  | 1,675   | -                                     | -                                    | 2,589  |
| Total deferred inflows of resources                                 | 914  | 1,675   | -                                     | -                                    | 2,589  |
| <b>Fund Balances:</b>   |  |   |                                       |                                      |  |
| Unassigned  | 83,347   | 177,151   | -                                     | -                                    | 260,498  |
| Total fund balances   | 83,347   | 177,151   | -                                     | -                                    | 260,498  |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 84,261  | 180,592   | -                                     | -                                    | 264,853  |

See accompanying notes to the financial statements.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**

**Non-Major Governmental Funds**

**For the Year Ended December 31, 2024**

|  | Lighting<br>Special<br>Revenue<br>Fund | Park/<br>Playgrounds<br>Special<br>Revenue<br>Fund | 2010 Debt<br>Service<br>Fund | Capital<br>Projects<br>Fund | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|--|--|------------------------------|-----------------------------|--|
| <b>Revenues:</b>   |  |  |                              |                             |  |
| Property taxes   | \$ 29,746                              | 54,499   | -                            | -                           | 84,245                                     |
| Other revenues   | -                                      | 75,143   | -                            | -                           | 75,143                                     |
| Museum income  | -                                      | 19,811   | -                            | -                           | 19,811                                     |
| Rentals  | -                                      | 4,410  | -                            | -                           | 4,410                                      |
| Interest income  | 139                                    | 221  | -                            | -                           | 360  |
| <b>Total revenues</b>                                    | <u>29,885</u>                          | <u>154,084</u>                                     | <u>-</u>                     | <u>-</u>                    | <u>183,969</u>                             |
| <b>Expenditures:</b>                                     |  |  |                              |                             |  |
| General government                                       | 31,676                                 | 167,389  | -                            | -                           | 199,065                                    |
| Culture and recreation                                   | -                                      | 39,033   | -                            | -                           | 39,033                                     |
| <b>Total expenditures</b>                                | <u>31,676</u>                          | <u>206,422</u>                                     | <u>-</u>                     | <u>-</u>                    | <u>238,098</u>                             |
| <b>Excess (deficiency) of revenues over expenditures</b> | <u>(1,791)</u>                         | <u>(52,338)</u>                                    | <u>-</u>                     | <u>-</u>                    | <u>(54,129)</u>                            |
| <b>Other financing sources (uses):</b>                   |  |  |                              |                             |  |
| Operating transfers in                                   | 114,409                                | 463,542  | 272,012                      | -                           | 849,963                                    |
| Operating transfers out                                  | -                                      | -  | -                            | (46)                        | (46)                                       |
| <b>Total other financing sources (uses)</b>              | <u>114,409</u>                         | <u>463,542</u>                                     | <u>272,012</u>               | <u>(46)</u>                 | <u>849,917</u>                             |
| <b>Net change in fund balances</b>                       | 112,618                                | 411,204  | 272,012                      | (46)                        | 795,788                                    |
| <b>Fund balances, beginning of year</b>                  | <u>(29,271)</u>                        | <u>(234,053)</u>                                   | <u>(272,012)</u>             | <u>46</u>                   | <u>(535,290)</u>                           |
| <b>Fund balances, end of year</b>                        | <u>\$ 83,347</u>                       | <u>177,151</u>                                     | <u>-</u>                     | <u>-</u>                    | <u>260,498</u>                             |

See accompanying notes to the financial statements.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Schedule of Compensation Paid to Council Members**

**For the Year Ended December 31, 2024**

| <u>Name</u>             |    | <u>Amount</u>               |
|-------------------------|----|-----------------------------|
| <b>E.J. Boudreaux</b>   | \$ | <b>7,416</b>                |
| <b>Regan Contois</b>    |    | <b>6,600</b>                |
| <b>Walter Patterson</b> |    | <b>7,861</b>                |
| <b>Stephen Saussy</b>   |    | <b>7,861</b>                |
| <b>Eric Templet</b>     |    | <u><b>7,416</b></u>         |
|                         | \$ | <u><u><b>37,154</b></u></u> |

TOWN OF ABITA SPRINGS, LOUISIANA

Schedule of Compensation, Benefits, and Other Payments to Agency Head

For the Year Ended December 31, 2024

Agency Head Name: Daniel Curtis

| <u>Purpose</u>                         | <u>Amount</u>    |
|--|------------------|
| Salary                                 | \$ 56,453        |
| Benefits - Insurance                   | -                |
| Benefits - Retirement                  | -                |
| Benefits - Other                       | -                |
| Car Allowance                          | -                |
| Vehicle Provided by Government         | -                |
| Per Diem                               | -                |
| Reimbursements                         | -                |
| Travel                                 | -                |
| Registration Fees                      | -                |
| Conference Travel                      | -                |
| Continuing Professional Education Fees | -                |
| Housing                                | -                |
| Unvouchered Expenses                   | -                |
| Special Meals                          | -                |
|  | <hr/>            |
|  | \$ <u>56,453</u> |

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Justice System Funding Schedule - Collecting/Disbursing Entity**

**For the Year Ended December 31, 2024**

| <i>Cash Basis Presentation</i>  | First Six Month<br>Period End June 30,<br>2024 | Second Six Month<br>Period End December 31,<br>2024 |
|---|--|---|
|   | 2024   | 2024  |
| Beginning balance of amounts collected (i.e cash on hand)                                       | \$   |   |
| <b>Add: collections:</b>  |  |   |
| Bond fees   | -  | -   |
| Criminal court costs/fees   | 1,000  | -   |
| Criminal fines - other  | 9,467  | 17,013  |
| Service/collection fees   | 38   | 125   |
|   | 10,505   | 17,138  |
| <b>Less: disbursements to governments &amp; nonprofits:</b>                                     |  |   |
| Town of Abita Springs Mayor's court costs/fees  | 40   | -   |
| Town of Abita Springs Mayor's court fines - other   | 9,467  | 17,013  |
| Town of Abita Springs Mayor's court fines - bonds   | -  | -   |
| St. Tammany Parish Sheriff's Office criminalistics lab fund                                     | 360  | -   |
| LCLE Act 250 crime victims repartio fund  | 375  | -   |
| LCLE Act 440 post law enforcement training & assistance fund                                    | 100  | -   |
| Supreme Court of Louisiana - CMIS   | 50   | -   |
| Louisiana Judicial College  | 25   | -   |
| LDH ACT 654 THSCI   | 50   | -   |
| <b>Less: disbursements to individuals/3rd party collection or processing agencies</b>           |  |   |
| Payments to 3rd party collection/processing agencies  | 38   | 125   |
|   | 10,505   | 17,138  |
| <b>Total: ending balance of amounts collected but not disbursed/retained (i.e cash on hand)</b> | \$ -   | -   |
| Ending balance of "partial payments" collected but not disbursed                                | \$ -   | -   |
| <b>Other information:</b>   |  |   |
| Ending balance of total amounts assessed but not yet collected                                  | *\$ -  | -   |
| Total waivers during the fiscal period  | *\$ -  | -   |

\* Due to lack of case management reporting capabilities, this amount is not obtainable at the present time.

TOWN OF ABITA SPRINGS, LOUISIANA

Justice System Funding Schedule - Receiving Entity

For the Year Ended December 31, 2024

| <i>Cash Basis Presentation</i>   | <u>First Six Month Period<br/>End June 30, 2024</u> | <u>Second Six Month Period<br/>End December 31, 2024</u> |
|--|---|--|
| <b>Receipts from:</b>  |   |  |
| Department of Safety Refunds &<br>Settlements reinstatement court fees | \$ <u>38</u>  | <u>125</u>   |
| <b>Total receipts</b>  | \$ <u><u>38</u></u>                                 | <u><u>125</u></u>  |
| <br>   |   |  |
| <b>Ending balance of amounts<br/>  assessed but not received</b>       | \$ <u><u>-</u></u>                                  | <u><u>-</u></u>  |



Stephen M. Griffin, CPA  
Robert J. Furman, CPA

Howard P. Vollenweider, CPA  
Jessica S. Benjamin  
Racheal D. Alvey  
Michael J. Caparotta, CPA

Michael R. Choate, CPA

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American Society of Certified Public Accountants  
Society of Louisiana CPAs

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

**To the Honorable Mayor and Members of the Board of Aldermen  
Town of Abita Springs, Louisiana**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, major funds, and aggregate remaining fund information of the Town of Abita Springs, Louisiana (the "Town") as of and for the year then ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated January 20, 2026.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for their 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 misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings as item 2024-1 to be a material weakness.

205 E. Lockwood St.  
Covington LA 70433  
(985) 727-9924 Phone  
(985) 727-9975 Fax

2915 S. Sherwood Forest Blvd., Suite B  
Baton Rouge, LA 70816  
(225) 292-7434 Phone  
(225) 293-3651 Fax

3711 Cypress St. #2  
West Monroe, LA 71291  
(318) 397-2472 Phone

[www.griffinandco.com](http://www.griffinandco.com)

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. We consider the deficiency described in the accompanying schedule of findings as item 2024-2 to be a significant deficiency.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2024-3, 2024-4, and 2024-5.

### Town of Abita Springs, Louisiana's Response to Findings

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

### Purpose of this Report

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

This report is intended solely for the information and use of management, the Board of Aldermen, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Griffin & Furman, LLC*

January 20, 2026

Covington, Louisiana

TOWN OF ABITA SPRINGS, LOUISIANA

Schedule of Findings

December 31, 2024

**Summary of Audit Results:**

1. Type of Report Issued – Unmodified
2. Internal Control Over Financial Reporting
  - a. Significant Deficiencies – Yes (2024-2)
  - b. Material Weaknesses – Yes (2024-1)
3. Compliance and Other Matters – Yes (2024-3, 2024-4, and 2024-5)
4. Management Letter - Yes

**Finding 2024-1:**

*Criteria:*

Management is responsible for establishing internal controls over financial reporting that prevent material misstatements of its financial statements and allow for proper tracking of the various funds of the Town.

*Condition & Cause:*

The Town currently utilizes the QuickBooks accounting software to maintain its books. Because QuickBooks is not designed for the application of fund accounting, the Town is unable to produce fund financial statements throughout the year or at year-end.

*Effect:*

As a result, significant effort is required to convert the existing books and records to full fund accounting.

*Recommendation:*

We recommend the Town either create separate QuickBooks files for each fund or obtain other accounting software that allows for fund accounting. It is our understanding the Town has purchased a municipal-based accounting software and is in the implementation process.

**Finding 2024-2:**

*Criteria:*

Management is responsible for capital asset management including record keeping, additions, annual physical inventory, deletions/disposals, and planning for future capital asset maintenance.

*Condition & Cause:*

For the year ended December 31, 2024, the Town had capital assets on its books that were no longer held by the Town. This is a result of not performing a physical inventory.

*Effect:*

As a result, the Town's capital asset records were not accurate.

TOWN OF ABITA SPRINGS, LOUISIANA

Schedule of Findings

December 31, 2024

***Recommendation:***

We recommend the Town closely monitor its capital assets by performing annual physical inventory and adjust its capital asset listing accordingly.

**Finding 2024-3:**

***Criteria:***

Management is responsible for complying with the Local Government Budget Act (LRS 39:1301 – 1315).

***Condition & Cause:***

For the year ended December 31, 2024, the Town failed to amend the budget of the General Fund when revenues fell short of budgeted revenues by more than 5%, the Shared Sales Tax Special Revenue Fund when expenses exceeded of budgeted expenses by more than 5%, and the Cemetery Special Revenue Fund when revenues fell short of budgeted revenues by more than 5%.

***Effect:***

The Town was not in compliance with the Local Government Budget Act.

***Recommendation:***

We recommend the Town closely monitor its budget to actual for the general fund and all special revenue funds and amend the budget as necessary.

**Finding 2024-4:**

***Criteria:***

Section 18 of Bond Ordinance No. 482 (DEQ bonds) requires the Town to have revenues after paying all reasonable and necessary expenses of operating and maintaining the System, at least equal to 125% of the largest amount of principal and interest maturing on the Prior Lien Bonds and the Bonds in any future Bond Year and on any Additional Parity Bonds hereafter issued as provided herein.

***Condition & Cause:***

The Town did not meet the required coverage ratio per Section 18 of Bond Ordinance No. 482.

***Effect:***

The Town is not in compliance Section 18 of Bond Ordinance No. 482.

***Recommendation:***

We recommend the Town take action to ensure compliance with the Bond Ordinance. Actions could include revising utility rates or funding the shortfall with other lawfully available sources of funding. If other sources of funding are utilized, they should be included in the utility fund budget in accordance with the provisions of the Bond Ordinance.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Schedule of Findings**

**December 31, 2024**

**Finding 2024-5:**

***Criteria:***

**Management is responsible for complying with the Duties of Treasurer (LRS 33:425).**

***Condition & Cause:***

**The Town was not producing financial statements monthly for the Board of Alderman to review at meetings. The Town was unable to produce financial statements due to utilizing the QuickBooks accounting software.**

***Effect:***

**The Town was not in compliance with the Duties of Treasurer.**

***Recommendation:***

**We recommend the Town produce monthly financial statements and present the statements to the Board at regular monthly meetings.**

TOWN OF ABITA SPRINGS, LOUISIANA

Status of Prior Audit Findings

December 31, 2024

**Finding 2023-1:**

*Criteria:*

Management is responsible for establishing internal controls over financial reporting that prevent material misstatements of its financial statements and allow for proper tracking of the various funds of the Town.

*Condition & Cause:*

The Town currently utilizes the QuickBooks accounting software to maintain its books. Because QuickBooks is not designed for the application of fund accounting, the Town is unable to produce fund financial statements throughout the year or at year-end.

*Effect:*

As a result, significant effort is required to convert the existing books and records to full fund accounting.

*Recommendation:*

We recommend the Town either create separate QuickBooks files for each fund or obtain other accounting software that allows for fund accounting. It is our understanding the Town has purchased a municipal-based accounting software and is in the implementation process.

*Management Corrective Action:*

The Town has engaged the municipal software company Tyler Tech to convert all Town software to Tyler Tech modules for all Town departments. This software will provide better tracking of fund balances and easier more accurate creation of financial reports on a monthly and annual basis. Town Finance Department employees will work with Tyler Tech and seek an engagement with a CPA firm to provide regular review of Town financials and compliance. The Town has already completed conversion of the Utility Billing module and will begin the Finance and Municipal Court conversion early 2025.

*Status:*

Unresolved.

**Finding 2023-2:**

*Criteria:*

Management is responsible for establishing internal controls over financial reporting that prevent material misstatements of its financial statements.

*Condition & Cause:*

During our audit we noted that prior year audit entries had not been recorded. Furthermore, we noted multiple accounts that were misstated and required adjustment. Overall, approximately 20 adjusting entries were proposed and recorded in the financial statements. These adjustments resulted in an overall increase to net position of approximately \$300,000.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Status of Prior Audit Findings**

**December 31, 2024**

***Effect:***

As a result, net position and changes in net position were not accurately stated in financial reports throughout the year and significant effort was required to ascertain the adjustments required to accurately report net position and changes in net position at year-end.

***Recommendation:***

As previously stated, we recommend the Town either create separate QuickBooks files for each fund or obtain other accounting software that allows for fund accounting. We further recommend individuals with financial reporting responsibility work closely with accountants and/or consultants that have the requisite experience and background to ensure accounting results are accurately reported throughout the year.

***Management Corrective Action:***

The Town has engaged the municipal software company Tyler Tech to convert all Town software to Tyler Tech modules for all Town departments. This software will provide better tracking of fund balances and easier more accurate creation of financial reports on a monthly and annual basis. Town Finance Department employees will work with Tyler Tech and seek an engagement with a CPA firm to provide regular review of Town financials and compliance. The Town has already completed conversion of the Utility Billing module and will begin the Finance and Municipal Court conversion early 2025.

***Status:***

Resolved.

**Finding 2023-3:**

***Criteria:***

Management is responsible for establishing internal controls over financial reporting that prevent material misstatements of its financial statements.

***Condition & Cause:***

During our audit we noted activity from the current utility system was being utilized to post utility activity to the Town's general ledger system. However, there is no reconciliation process in place to ensure all utility activity is properly posted in the general ledger. As an example, the customer meter deposit liability per the general ledger was approximately \$43,000 higher than the same liability per the utility system. It is our understanding the difference is an accumulation of deposit forfeitures that occurred over a period of years which were not properly adjusted on the general ledger.

***Effect:***

The customer deposit liability and net position were misstated. Additionally, it is possible that other utility activity could have been misstated during current and previous periods.

***Recommendation:***

We recommend the Town implement a reconciliation process from the utility system to the general ledger that ties out and balances all billings, payments, and other adjustments. It is our understanding that the municipal software the Town has purchased will integrate the utility posting with the general ledger.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Status of Prior Audit Findings**

**December 31, 2024**

***Management Corrective Action:***

The Town has engaged the municipal software company Tyler Tech to convert all Town software to Tyler Tech modules for all Town departments. This software will provide better tracking of fund balances and easier more accurate creation of financial reports on a monthly and annual basis. Town Finance Department employees will work with Tyler Tech and seek an engagement with a CPA firm to provide regular review of Town financials and compliance. The Town has already completed conversion of the Utility Billing module and will begin the Finance and Municipal Court conversion early 2025.

***Status:***

**Resolved.**

**Finding 2023-4:**

***Criteria:***

Management is responsible for establishing and implementing internal controls to safeguard the assets of the Town.

***Condition & Cause:***

During the period under audit, management determined there were instances of improper use of Town credit cards and Venmo that went undetected due to a breakdown in controls related to credit cards and Venmo. See Exhibit A.

***Effect:***

As a result, it appears the Town sustained losses in excess of \$200,000 during 2023.

***Recommendation:***

We recommend the Town implement strict controls involving credit card usage and electronic funds accounts such that all statements and charges are reviewed by someone other than the cardholder. We also recommend all disbursements require segregation of duties such that more than one person is involved in the check disbursement process.

***Management Corrective Action:***

Town management has frozen or closed all Town credit cards except for one card in the name of the Town Clerk. Credit card charges must be approved by the Mayor prior to purchases being made. Purchases require a purchase order and receipts. Regular bill payments that are charged to the Town credit card must include an invoice and/or receipt of payment. Town credit card statements must be reconciled monthly with receipts for each transaction attached. Reconciliation will be signed and completed by the card holder. Reconciliations must be reviewed by two additional employees. One of those employees is the Mayor and the other should be a non-signer on Town accounts.

Town management has created an Electronic Funds Account Management Policy to establish guidelines for the administration, acceptance, reconciliation, and review of the Town Venmo and other electronic funds accounts to ensure only approved disbursements and collections are processed and to secure Town funds. Only Town owned accounts may be used to collect funds due to the Town. A separation of duties has been established to ensure that there are different employees who collect funds, verify funds, reconcile funds, create transfers and enter transactions into Town financial software. The reconciliation process requires at least three individuals with the Mayor being the final approval person.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Status of Prior Audit Findings**

**December 31, 2024**

***Status:***  
**Resolved.**

**Finding 2023-5:**

***Criteria:***  
**Management is responsible for complying with the Local Government Budget Act (LRS 39:1301 – 1315).**

***Condition & Cause:***  
**For the year ended December 31, 2023, the Town failed to amend the budget of the Shared Sales Tax Special Revenue Fund when revenues fell short of budgeted revenues by more than 5%.**

***Effect:***  
**The Town was not in compliance with the Local Government Budget Act.**

***Recommendation:***  
**We recommend the Town closely monitor its budget to actual for the general fund and all special revenue funds and amend the budget as necessary.**

***Management Corrective Action:***  
**The Town Finance Department will present budget-to-actual reports to the Town Council monthly. The Town will monitor budget-to-actual reports for compliance and amend the budget as necessary.**

***Status:***  
**Unresolved.**

**Finding 2023-6:**

***Criteria:***  
**R.S. 24:513 provides that any state auditee must submit an audit report within six months of their fiscal year end.**

***Condition & Cause:***  
**The Town did not submit their financial report within the six-month deadline for the December 31, 2023 fiscal year end.**

***Effect:***  
**The Town is not in compliance with R.S. 24:513.**

***Recommendation:***  
**We recommend the Town submit their financial report within six months of its year end.**

***Management Corrective Action:***  
**The Town has engaged the municipal software company Tyler Tech to convert all Town software to Tyler Tech modules for all Town departments. This software will provide better tracking of fund balances and easier more accurate creation of financial reports on a monthly and annual basis. Town Finance Department employees will work with Tyler Tech and seek an engagement with a CPA firm to provide regular review of Town financials and compliance. The Town has already completed**

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Status of Prior Audit Findings**

**December 31, 2024**

conversion of the Utility Billing module and will begin the Finance and Municipal Court conversion early 2025.

*Status:*  
Resolved.

**Finding 2023-7:**

*Criteria:*  
Section 18 of Bond Ordinance No. 482 (DEQ bonds) requires the Town to have revenues after paying all reasonable and necessary expenses of operating and maintaining the System, at least equal to 125% of the largest amount of principal and interest maturing on the Prior Lien Bonds and the Bonds in any future Bond Year and on any Additional Parity Bonds hereafter issued as provided herein.

*Condition & Cause:*  
The Town did not meet the required coverage ratio per Section 18 of Bond Ordinance No. 482.

*Effect:*  
The Town is not in compliance Section 18 of Bond Ordinance No. 482.

*Recommendation:*  
We recommend the Town take action to ensure compliance with the Bond Ordinance. Actions could include revising utility rates or funding the shortfall with other lawfully available sources of funding. If other sources of funding are utilized, they should be included in the utility fund budget in accordance with the provisions of the Bond Ordinance.

*Management Corrective Action:*  
The Town will complete the Debt Service Coverage Ratio and create a plan that is approved by DEQ officials for compliance with Bond Ordinance No. 482. This plan shall include any necessary budget items and/or amendments needed to comply with the requirements of Bond Ordinance No. 482.

*Status:*  
Unresolved.



January 20, 2026

Griffin & Furman, LLC  
205 E. Lockwood St.  
Covington, LA 70433

Re: Fiscal Year 2024 Audit Management Letter

Dear Mr. Furman,

In response to the above referenced Schedule of Findings, the Town of Abita Springs, Louisiana acknowledges the findings and agrees to take the following corrective actions.

Finding 2024-1:

*Criteria:*

Management is responsible for establishing internal controls over financial reporting that prevent material misstatements of its financial statements and allow for proper tracking of the various funds of the Town.

*Condition & Cause:*

The Town currently utilizes the QuickBooks accounting software to maintain its books. Because QuickBooks is not designed for the application of fund accounting, the Town is unable to produce fund financial statements throughout the year or at year-end.

*Effect:*

As a result, significant effort is required to convert the existing books and records to full fund accounting.

*Recommendation:*

We recommend the Town either create separate QuickBooks files for each fund or obtain other accounting software that allows for fund accounting. It is our understanding the Town has purchased a municipal-based accounting software and is in the implementation process.

*Management Corrective Action:*

In February 2025, the Town of Abita Springs engaged an independent CPA firm to assist in the preparation of comprehensive monthly financial statements, including a balance sheet, statement of cash flows, and budget-to-actual comparisons. As part of this effort, the CPA firm also supported the Town in revising the chart of accounts within the QuickBooks system to more clearly delineate fund accounts and to enhance the accuracy and efficiency of account reconciliation. Reconciliations are now performed on a weekly basis and reviewed monthly by the CPA firm. Additionally, the Town has initiated the continued transition from QuickBooks to the Tyler Technologies financial module to further improve financial management,



reporting capabilities, and long-term scalability.

Finding 2024-2:

*Criteria:*

Management is responsible for capital asset management including record keeping, additions, annual physical inventory, deletions/disposals, and planning for future capital asset maintenance.

*Condition & Cause:*

For the year ended December 31, 2024, the Town had capital assets on its books that were no longer held by the Town. This is a result of not performing a physical inventory.

*Effect:*

As a result, the Town's capital asset records were not accurate.

*Recommendation:*

We recommend the Town closely monitor its capital assets by performing annual physical inventory and adjust its capital asset listing accordingly.

*Management Corrective Action:*

The Town of Abita Springs acknowledges the importance of maintaining accurate and up-to-date records of fixed assets. While fixed asset records are maintained, a comprehensive physical inventory has not been conducted on an annual basis as recommended. To address this, the Town will implement a formal process for conducting an annual physical inventory of all fixed assets beginning in the current fiscal year. This process will include assigning departmental responsibilities, establishing a standardized inventory checklist, and reconciling physical counts with the fixed asset ledger. In addition, the Town is creating a Fixed Asset Inventory Policy to be included in the Town's Policy and Procedures Manual. This policy will outline the procedures for inventory, tracking, and reporting to ensure consistency and accountability going forward.

Finding 2024-3:

*Criteria:*

Management is responsible for complying with the Local Government Budget Act (LRS 39:1301 – 1315).

*Condition & Cause:*

For the year ended December 31, 2024, the Town failed to amend the budget of the General Fund when revenues fell short of budgeted revenues by more than 5%, the Shared Sales Tax Special Revenue Fund when expenses exceeded of budgeted expenses by more than 5%, and the Cemetery Special Revenue Fund when revenues fell short of budgeted revenues by more than 5%.



*Effect:*

The Town was not in compliance with the Local Government Budget Act.

*Recommendation:*

We recommend the Town closely monitor its budget to actual for the general fund and all special revenue funds and amend the budget as necessary.

*Management Corrective Action:*

The Town of Abita Springs is actively working with an independent CPA firm to enhance financial oversight and compliance with budgetary requirements. As part of this effort, the CPA firm complies, presents and reviews the Town's monthly budget-to-actual financial statements and advises on any significant variances. When necessary, the firm and administration provide recommendations to the Board of Aldermen to initiate timely and appropriate budget amendments. This process ensures that the Town maintains a balanced and transparent budget in accordance with sound fiscal management practices.

Finding 2024-4:

*Criteria:*

Section 18 of Bond Ordinance No. 482 (DEQ bonds) requires the Town to have revenues after paying all reasonable and necessary expenses of operating and maintaining the System, at least equal to 125% of the largest amount of principal and interest maturing on the Prior Lien Bonds and the Bonds in any future Bond Year and on any Additional Parity Bonds hereafter issued as provided herein.

*Condition & Cause:*

The Town did not meet the required coverage ratio per Section 18 of Bond Ordinance No. 482.

*Effect:*

The Town is not in compliance Section 18 of Bond Ordinance No. 482.

*Recommendation:*

We recommend the Town take action to ensure compliance with the Bond Ordinance. Actions could include revising utility rates or funding the shortfall with other lawfully available sources of funding. If other sources of funding are utilized, they should be included in the utility fund budget in accordance with the provisions of the Bond Ordinance.

*Management Corrective Action:*

The Town of Abita Springs engaged Waggoner Engineering to conduct a comprehensive rate study of the Town's utility fund revenues. Based on the findings of this study, the Town implemented an increase in water and sewer rates effective April 2025. Following the completion of the rate study, all supporting documentation was submitted to the Louisiana Department of Environmental Quality (DEQ) to demonstrate compliance with the requirements of the Bond Ordinance.



To ensure ongoing compliance, the Town will perform this review annually following the issuance of the audited financial statements. Any necessary adjustments will be made proactively to maintain adherence to bond covenant requirements and to support the financial stability of the utility system.

Finding 2024-5:

*Criteria:*

Management is responsible for complying with the Duties of Treasurer (LRS 33:425).

*Condition & Cause:*

The Town was not producing financial statements monthly for the Board of Alderman to review at meetings. The Town was unable to produce financial statements due to utilizing the QuickBooks accounting software.

*Effect:*

The Town was not in compliance with the Duties of Treasurer.

*Recommendation:*

We recommend the Town produce monthly financial statements and present the statement to the Board at regular monthly meetings.

*Management Corrective Action:*

The Town of Abita Springs acknowledges the importance of timely and accurate financial reporting. In February 2025, the Town engaged an independent CPA firm to assist with the compilation and presentation of monthly financial reports to the Board of Aldermen. As a result, monthly financial reports began being presented in May 2025, starting with the report for January 2025. The Town anticipates being fully current with all 2025 monthly financial reports by August 2025. This initiative reflects our commitment to strengthening financial oversight and ensuring timely financial transparency moving forward.

Sincerely,



Daniel Curtis, Mayor



Stephen M. Griffin, CPA  
Robert J. Furman, CPA

Howard P. Vollenweider, CPA  
Jessica S. Benjamin  
Racheal D. Alvey  
Michael J. Caparotta, CPA

Michael R. Choate, CPA

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American Society of Certified Public Accountants  
Society of Louisiana CPAs

**To the Honorable Mayor and Board of Aldermen  
Town of Abita Springs, Louisiana**

**In planning and performing our audit of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Abita Springs, Louisiana (the Town), as of and for the year ended December 31, 2024, 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, we considered the Town’s internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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.**

**However, during our audit, we noted a matter involving compliance with wage reporting that is presented in this letter for your consideration. We do not consider this matter to be a material weakness or significant deficiency. The comment has been discussed with the appropriate members of Town management and is intended to improve the Town’s compliance with wage reporting.**

#### **Personal Use of Town Vehicles**

**During our audit, we noted the Town Mayor and some utility employees are provided “take-home” vehicles. We also noted that no log of personal / business use is being maintained in connection with these vehicles. To the extent these vehicles are not specialized (such as a specialized utility service truck), a mileage log should be maintained such that personal and business use can be quantified. All personal use of these vehicles should be reported on the employee’s W-2 as a taxable fringe benefit.**

**We will review the status of this comment during our next audit engagement and will be pleased to discuss this with Town management at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation.**

*Griffin & Furman, LLC*

**January 20, 2026**

**Covington, Louisiana**

205 E. Lockwood St.  
Covington, LA 70433  
Phone: (985) 727-9924  
Fax: (985) 400-5026

2915 S. Sherwood Forest Blvd., Suite B  
Baton Rouge, LA 70816  
Phone: (225) 292-7434  
Fax: (225) 293-3651

3711 Cypress St. #2  
West Monroe, LA 71291  
Phone: (318) 397-2472



January 20, 2026

Griffin & Furman, LLC  
205 E. Lockwood St.  
Covington, LA 70433

Re: Fiscal Year 2024 Audit Management Letter

Dear Mr. Furman,

In response to the above referenced Management Letter, the Town of Abita Springs, Louisiana acknowledges the letter and agrees to take the following corrective actions.

Finding Personal Use of Town Vehicles:

*Auditor's Comment:*

During the audit, it was noted that the Town Mayor and some utility employees are provided "take-home" vehicles. No log of personal versus business use is being maintained for these vehicles. To the extent these vehicles are not specialized (such as a utility service truck), a mileage log should be maintained such that personal and business use can be quantified. All personal use should be reported on the employee's W-2 as a taxable fringe benefit.

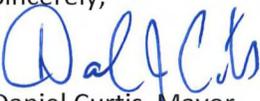
*Management's Response:*

The Town has reviewed its vehicle fleet and determined that Town-issued vehicles are equipped with specialized utility modifications and equipment necessary for public works, utility system operations, and emergency response activities. These vehicles are assigned to employees to facilitate timely response to operational and public safety needs and are generally not suited for personal use, consistent with IRS guidance related to qualified nonpersonal-use vehicles.

The Town has revised its Take-Home Vehicle Policy to establish clear guidelines for the use of Town-owned vehicles by personnel whose roles require frequent or emergency response outside regular hours while prohibiting personal use of the vehicle.

The Town will periodically review vehicle assignments, equipment configurations, and employee compliance with the revised policy to ensure continued adherence to applicable regulations.

Sincerely,

  
Daniel Curtis, Mayor

**TOWN OF ABITA SPRINGS**

**Agreed-Upon Procedures**

**For the Year Ending December 31, 2024**

# TOWN OF ABITA SPRINGS

## Table of Contents

|   | <u>Page</u>    |
|---|----------------|
| <b>Independent Accountant's Report on Applying Agreed-Upon Procedures</b> | <b>1 - 12</b>  |
| <b>Schedule of Findings</b>   | <b>13 - 14</b> |
| <b>Management's Corrective Action</b>                                     | <b>15 - 16</b> |



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American Society of Certified Public Accountants  
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INDEPENDENT ACCOUNTANT’S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Mayor and Board of Aldermen  
Town of Abita Springs, Louisiana  
Abita Springs, Louisiana

We have performed the procedures enumerated below as they are a required part of the engagement. We are required to perform each procedure and report the results, including any exceptions. Management is required to provide a corrective action plan that addresses all exceptions noted. For any procedures that do not apply, we have marked “not applicable.”

Management of the Town of Abita Springs, Louisiana is responsible for its financial records, establishing internal controls over financial reporting, and compliance with applicable laws and regulations. These procedures were agreed to by management of the Board and the Legislative Auditor, State of Louisiana (LLA), solely to assist the users in assessing certain controls and in evaluating management's assertions about the Town’s compliance with certain laws and regulations during the period of January 1, 2024 to December 31, 2024.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

***Written Policies and Procedures***

---

- A. Obtain and inspect the Town’s written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the Town’s operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

205 E. Lockwood St.  
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- ii. **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
- iii. **Disbursements**, including processing, reviewing, and approving.
- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the Town's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Finding:** Procedures performed without exception.

### ***Board or Finance Committee***

---

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
  - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

***Finding:*** Procedure performed without exception.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the Town's collections during the fiscal period.

***Finding:*** The Town Council did not review the monthly budget-to-actual comparisons on the general fund as part of the treasury report. However, upon review of the March meeting minutes, we noted that the Town Council did review the projected budget for 2024.

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

***Finding:*** Not applicable. The general fund had a positive ending fund balance in the prior year audit report.

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

***Finding:*** Procedure performed without exception.

### ***Bank Reconciliations***

---

- A. Obtain a listing of Town bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the Town's main operating account. Select the Town's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged);
- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

***Finding:*** Procedure performed without exception.

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

---

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

***Finding:*** Procedure performed without exception. There is only one deposit site.

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

- i. Employees responsible for cash collections do not share cash drawers/registers;
- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

***Finding:*** Procedure performed without exception.

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

***Finding:*** Procedure performed without exception.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were

made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- v. Trace the actual deposit per the bank statement to the general ledger.

***Finding:*** *Procedures performed without exception.*

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

---

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

***Finding:*** *Procedure performed without exception. There is only one location.*

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
  - ii. At least two employees are involved in processing and approving payments to vendors;
  - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
  - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

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

**Finding:** *Procedures performed without exception.*

- C. For each location selected under procedure #5A above, obtain the Town's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
  - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the Town, and
  - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

**Finding:** *Procedure performed without exception.*

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

**Finding:** *Procedure performed without exception.*

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

---

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

**Finding:** *Procedure performed without exception.*

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
  - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those

instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

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

**Finding:** *We reviewed the January 2024 credit card statements and observed that all transactions were signed off by someone other than the authorized cardholder.*

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

**Finding:** *There were only four transactions to test. Procedure performed without exception.*

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

---

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
  - i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));
  - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
  - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
  - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Finding:** *Procedure performed without exception.*

#### **Contracts**

---

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active*

*vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

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

***Finding:*** Procedure performed without exception.

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

***Finding:*** Procedure performed without exception.

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

***Finding:*** Not applicable.

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

***Finding:*** Procedure performed without exception.

### ***Payroll and Personnel***

---

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

***Finding:*** Procedure performed without exception.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
  - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
  - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
  - iii. Observe that any leave accrued or taken during the pay period is reflected in the Town's cumulative leave records; and
  - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

***Finding:*** Procedure performed without exception.

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

***Finding:*** We agreed the terminated employees' payments to the accrual spreadsheet. Procedure performed without exception.

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

***Finding:*** Procedure performed without exception.

### ***Ethics***

---

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
  - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

***Finding:*** Procedure performed without exception.

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

***Finding:*** Not applicable. The Town did not make any changes to the ethics policy.

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

***Finding:*** Procedure performed without exception.

### ***Debt Service***

---

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

***Finding:*** Not applicable.

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

*Finding: Procedure performed without exception.*

#### ***Fraud Notice***

---

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

*Finding: Procedure performed without exception.*

- B. Observe that the Town 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.

*Finding: Procedure performed without exception.*

#### ***Information Technology Disaster Recovery/Business Continuity***

---

- A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
- i. Obtain and inspect the Town'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.
  - ii. Obtain and inspect the Town's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
  - iii. Obtain a listing of the Town'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.

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

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

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

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- Hired before June 9, 2020 - completed the training; and
  - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

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

### ***Prevention of Sexual Harassment***

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

**Finding:** *Procedures performed with one exception. The Town was unable to provide support for one employee completing the training.*

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

performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

*Griffin & Furman, LLC*

**October 27, 2025**

**Covington, Louisiana**

# TOWN OF ABITA SPRINGS, LOUISIANA

## Schedule of Findings

For the Year Ended December 31, 2024

### 2024-1 Board or Finance Committee

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

- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

**Finding:** *For item (ii.), the Town Council did not review the monthly budget-to-actual comparisons on the general fund as part of the treasury report. However, upon review of the March meeting minutes, we noted that the Town Council did review the projected budget for 2024.*

**Recommendation:** *We recommend the Town Council review the monthly budget-to-actual comparisons on the general fund as part of the treasury report.*

### 2024-2 Prevention of Sexual Harassment

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

**Finding:** *The Town was unable to provide support for one employee completing the training.*

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Schedule of Findings**

**For the Year Ended December 31, 2024**

***Recommendation:** We recommend the Town ensure that all employees complete the required training and obtain documentation of such training is maintained.*

October 27, 2025

Griffin & Furman, LLC  
205 E. Lockwood St.  
Covington, Louisiana 70443

Re: FY 2024 Agreed Upon Procedures Schedule of Findings

Dear Mr. Furman,

In response to the above referenced Schedule of Findings, the Town of Abita Springs, Louisiana acknowledges the finding and agrees to take the following corrective actions.

**2024-1 Board or Finance Committee**

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

- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

***Finding:*** For item (ii.), the Town Council did not review the monthly budget-to-actual comparisons on the general fund as part of the treasury report. However, upon review of the March meeting minutes, we noted that the Town Council did review the projected budget for 2024.

***Recommendation:*** We recommend the Town Council review the monthly budget-to-actual comparisons on the general fund as part of the treasury report.

***Town of Abita Springs, Louisiana corrective action:***

The Town of Abita Springs acknowledges the importance of timely and accurate financial reporting. In February 2025, the Town engaged an independent CPA firm to assist with the compilation and presentation of monthly financial reports to the Board of Aldermen. As a result, monthly financial reports began being presented in May 2025, starting with the report for January 2025. The Town anticipates being fully current with all 2025 monthly financial reports by August 2025. This initiative reflects our commitment to strengthening financial oversight and ensuring timely financial transparency moving forward.

**2024-2 – Prevention of Sexual Harassment**

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

***Finding:*** *The Town was unable to provide support for one employee completing the training.*

***Recommendation:*** *We recommend the Town ensure that all employees complete the required training and obtain documentation of such training is maintained.*

***Town of Abita Springs, Louisiana corrective action:***

The Town of Abita Springs is committed to maintaining a safe and respectful workplace. Sexual Harassment Training is provided to all employees annually. To strengthen this process, the Town will implement a formal tracking system to ensure that all new employees, as well as any employees who are absent during scheduled training sessions, receive the required training at the earliest possible opportunity. This measure will help ensure ongoing compliance and reinforce our commitment to a respectful work environment.

***Sincerely,***

***Daniel Curtis***  
***Mayor***