

CITY OF DEQUINCY, LOUISIANA

Financial Report

Year Ended September 30, 2023

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INDEPENDENT AUDITOR'S REPORT

The Honorable Riley Smith, Mayor
and Members of the City Council
City of Dequincy, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dequincy, Louisiana (City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dequincy, Louisiana, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we exercise professional judgement and maintain professional skepticism throughout the audit. We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed. We 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. We conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

The City of Dequincy has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

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

The prior year comparative information on these statements has been derived from the City of Dequincy's 2022 financial statements, which was audited by other auditors and 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 and, in the opinion of other auditors, was fairly presented, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the comparative detailed budget comparison schedules and the schedule of number of utility customers but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2024, on our consideration of the City of Dequincy, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 City of Dequincy, Louisiana's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 30, 2024

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

CITY OF DEQUINCY, LOUISIANA

Statement of Net Position
September 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing demand deposits	\$ 5,469,152	\$ 1,111,237	\$ 6,580,389
Investments	644,851	496,874	1,141,725
Receivables, net	113,262	94,692	207,954
Internal balances	(2,152,722)	2,152,722	-
Due from other governmental units	874,433	386,181	1,260,614
Inventory	-	14,439	14,439
Prepaid items	99,627	71,200	170,827
Total current assets	<u>5,048,603</u>	<u>4,327,345</u>	<u>9,375,948</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing demand deposits	88,997	391,157	480,154
Investments	-	98,722	98,722
Capital assets, net	<u>5,367,951</u>	<u>6,835,030</u>	<u>12,202,981</u>
Total noncurrent assets	<u>5,456,948</u>	<u>7,324,909</u>	<u>12,781,857</u>
Total assets	<u>10,505,551</u>	<u>11,652,254</u>	<u>22,157,805</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>432,120</u>	<u>304,898</u>	<u>737,018</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	616,399	274,936	891,335
Customers deposits payable	-	118,021	118,021
Bonds payable	<u>25,205</u>	<u>112,289</u>	<u>137,494</u>
Total current liabilities	<u>641,604</u>	<u>505,246</u>	<u>1,146,850</u>
Noncurrent liabilities:			
Compensated absences	73,362	41,018	114,380
Bonds payable	276,316	1,561,540	1,837,856
Net pension liability	<u>1,755,267</u>	<u>1,026,993</u>	<u>2,782,260</u>
Total noncurrent liabilities	<u>2,104,945</u>	<u>2,629,551</u>	<u>4,734,496</u>
Total liabilities	<u>2,746,549</u>	<u>3,134,797</u>	<u>5,881,346</u>
DEFERRED INFLOWS OF RESOURCES	<u>56,588</u>	<u>9,391</u>	<u>65,979</u>
NET POSITION			
Net investment in capital assets	5,367,951	5,161,201	10,529,152
Restricted for public safety	677,472	-	677,472
Restricted for street maintenance	1,236,218	-	1,236,218
Restricted for debt service	88,997	261,338	350,335
Unrestricted	<u>763,896</u>	<u>3,390,425</u>	<u>4,154,321</u>
Total net position	<u>\$ 8,134,534</u>	<u>\$ 8,812,964</u>	<u>\$ 16,947,498</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF DEQUINCY, LOUISIANA

Statement of Activities
For the Year Ended September 30, 2023

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 717,741	\$ -	\$ -	\$ -	\$ (717,741)	\$ -	\$ (717,741)
Public safety	2,089,298	293,863	-	-	(1,795,435)	-	(1,795,435)
Sanitation	254,120	287,368	-	-	33,248	-	33,248
Highways and streets	752,373	-	-	328,860	(423,513)	-	(423,513)
Culture and recreation	22,563	-	-	-	(22,563)	-	(22,563)
Total governmental activities	<u>3,836,095</u>	<u>581,231</u>	<u>-</u>	<u>328,860</u>	<u>(2,926,004)</u>	<u>-</u>	<u>(2,926,004)</u>
Business-type activities:							
Gas	712,553	827,572	-	6,042	-	121,061	121,061
Sewer	1,291,865	450,588	-	367,374	-	(473,903)	(473,903)
Airpark	618,369	80,215	-	176,308	-	(361,846)	(361,846)
Total business-type activities	<u>2,622,787</u>	<u>1,358,375</u>	<u>-</u>	<u>549,724</u>	<u>-</u>	<u>(714,688)</u>	<u>(714,688)</u>
Total	<u>\$ 6,458,882</u>	<u>\$ 1,939,606</u>	<u>\$ -</u>	<u>\$ 878,584</u>	<u>(2,926,004)</u>	<u>(714,688)</u>	<u>(3,640,692)</u>
General revenues (expenses):							
Taxes -							
Property taxes, levied for general purposes					112,831	250,000	362,831
Sales and use taxes, levied for general purposes					1,259,380	722,689	1,982,069
Franchise taxes					191,926	-	191,926
Fines and forfeitures					300,761	-	300,761
Intergovernmental					630,131	-	630,131
State sources					615,683	-	615,683
Non-employer pension contribution					37,782	21,138	58,920
Interest and investment earnings					55,286	(41,178)	14,108
Gain (loss) on disposal of capital assets					-	(17,647)	(17,647)
Miscellaneous					770,071	72,473	842,544
Transfers					23,899	(23,899)	-
Total general revenues and transfers					<u>3,997,750</u>	<u>983,576</u>	<u>4,981,326</u>
Change in net position					1,071,746	268,888	1,340,634
Net position - October 1, 2022					<u>7,062,788</u>	<u>8,544,076</u>	<u>15,606,864</u>
Net position - September 30, 2023					<u>\$ 8,134,534</u>	<u>\$ 8,812,964</u>	<u>\$ 16,947,498</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

MAJOR FUNDS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

The Public Safety Fund and the Sales Tax Fund are considered special revenue funds. The Public Safety Fund accounts for the 1/2% sales tax dedicated to fire and police and related expenses. The Sales Tax Fund accounts for the 1% sales tax dedicated to street maintenance and related expenses.

Enterprise Fund

Utility Funds -

To account for the provision of gas and sewerage services to residents of the City. All activities necessary to provide such services are accounted for in these funds, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection. The Gas Utility Revenue Fund accounts for the provision of gas services. The Sewer Utility Fund accounts for the provision of sewer services.

Industrial Airpark Fund -

The Industrial Airpark Fund accounts for the provision of airpark and industrial development services.

CITY OF DEQUINCY, LOUISIANA

Balance Sheets
Governmental Funds
September 30, 2023

	General	Public Safety Special Revenue	Street Special Revenue	Non Major Governmental Fund	Total
ASSETS					
Cash and interest-bearing demand deposits	\$ 3,956,796	\$ 36,322	\$ 1,476,034	\$ -	\$ 5,469,152
Investments	644,851	-	-	-	644,851
Restricted cash and interest-bearing deposits	-	-	-	88,997	88,997
Receivables:					
Other	112,632	630	-	-	113,262
Due from other governmental units	455,066	42,493	376,874	-	874,433
Due from other funds	-	648,455	397,338	-	1,045,793
Prepaid items	15,168	72,519	11,940	-	99,627
Total assets	<u>5,184,513</u>	<u>800,419</u>	<u>2,262,186</u>	<u>88,997</u>	<u>8,336,115</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	72,947	106,678	340,294	-	519,919
Accrued liabilities	46,643	16,269	2,905	-	65,817
Retainage payable	-	-	30,663	-	30,663
Due to other funds	2,546,409	-	652,106	-	3,198,515
Total liabilities	<u>2,665,999</u>	<u>122,947</u>	<u>1,025,968</u>	<u>-</u>	<u>3,814,914</u>
Fund balances -					
Nonspendable (prepaid items)	15,168	72,519	11,940	-	99,627
Restricted:					
Public safety	-	604,953	-	-	604,953
Street maintenance	-	-	1,224,278	-	1,224,278
Debt service	-	-	-	88,997	88,997
Unassigned	2,503,346	-	-	-	2,503,346
Total fund balances	<u>2,518,514</u>	<u>677,472</u>	<u>1,236,218</u>	<u>88,997</u>	<u>4,521,201</u>
Total liabilities and fund balances	<u>\$ 5,184,513</u>	<u>\$ 800,419</u>	<u>\$ 2,262,186</u>	<u>\$ 88,997</u>	<u>\$ 8,336,115</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF DEQUINCY, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2023

Total fund balances for governmental funds		\$4,521,201
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 281,612	
Construction in progress	69,830	
Buildings and improvements, net of \$2,765,548 accumulated depreciation	1,323,021	
Infrastructure, net of \$1,131,225 accumulated depreciation	2,771,683	
Equipment and vehicles, net of \$2,221,024 accumulated depreciation	<u>921,805</u>	5,367,951
The deferred outflows of expenditures for the municipal and police employees retirement systems are not a use of current resources, and therefore, are not reported in the funds.		432,120
Long-term liabilities of governmental activities are not payable from current resources and, therefore, not reported in the funds. These liabilities consist of:		
Bonds payable	(301,521)	
Compensated absences payable	(73,362)	
Net pension liability	<u>(1,755,267)</u>	(2,130,150)
The deferred inflows of contributions for the municipal and police employees retirement systems are not available resources, and therefore, are not reported in the funds.		<u>(56,588)</u>
Total net position of governmental activities		<u>\$8,134,534</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF DEQUINCY, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 For the Year Ended September 30, 2023

	General	Public Safety Special Revenue	Street Special Revenue	Non Major Governmental Funds	Total
Revenues:					
Taxes	\$ 304,227	\$ 353,698	\$ 714,286	\$ -	\$ 1,372,211
Licenses and permits	191,928	-	-	-	191,928
Fines and forfeitures	-	300,761	-	-	300,761
Charges for services	287,368	293,863	-	-	581,231
Intergovernmental	944,543	299,198	330,933	-	1,574,674
Miscellaneous	<u>739,971</u>	<u>129</u>	<u>85,185</u>	<u>72</u>	<u>825,357</u>
Total revenues	<u>2,468,037</u>	<u>1,247,649</u>	<u>1,130,404</u>	<u>72</u>	<u>4,846,162</u>
Expenditures:					
Current -					
General government	577,583	-	-	-	577,583
Sanitation	254,120	-	-	-	254,120
Public safety	-	1,726,825	-	-	1,726,825
Highways and streets	-	-	607,677	-	607,677
Culture and recreation	22,562	-	-	-	22,562
Debt service	-	-	-	38,473	38,473
Capital outlay	<u>67,974</u>	<u>121,920</u>	<u>416,569</u>	<u>-</u>	<u>606,463</u>
Total expenditures	<u>922,239</u>	<u>1,848,745</u>	<u>1,024,246</u>	<u>38,473</u>	<u>3,833,703</u>
Excess (deficiency) of revenues over expenditures	<u>1,545,798</u>	<u>(601,096)</u>	<u>106,158</u>	<u>(38,401)</u>	<u>1,012,459</u>
Other financing sources (uses):					
Transfers in	28,256	867,260	-	127,398	1,022,914
Transfers out	<u>(989,902)</u>	<u>-</u>	<u>(9,113)</u>	<u>-</u>	<u>(999,015)</u>
Total other financing sources (uses)	<u>(961,646)</u>	<u>867,260</u>	<u>(9,113)</u>	<u>127,398</u>	<u>23,899</u>
Net changes in fund balances	584,152	266,164	97,045	88,997	1,036,358
Fund balances, beginning	<u>1,934,362</u>	<u>411,308</u>	<u>1,139,173</u>	<u>-</u>	<u>3,484,843</u>
Fund balances, ending	<u>\$ 2,518,514</u>	<u>\$ 677,472</u>	<u>\$ 1,236,218</u>	<u>\$ 88,997</u>	<u>\$ 4,521,201</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF DEQUINCY, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2023

Total net changes in fund balance for the year ended September 30, 2023 per statement of revenues, expenditures and changes in fund balances		\$ 1,036,358
The change in net position reported for governmental activities in the statement of activities is 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.		
Capital outlay which are considered expenditures on the statement of revenues, expenditures and changes in fund balances	\$ 606,463	
Depreciation expense	<u>(461,268)</u>	145,195
Bond and other debt proceeds provide current financial recourses to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal on long-term liabilities is an expenditure in governmental funds, but is a reduction of long-term liabilities in the Statement of Net Position:		
Principal payments		24,097
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences	(13,204)	
Pension expense	<u>(158,482)</u>	(171,686)
Non-employer's contributions to the municipal employees and the police employees pension plans		<u>37,782</u>
Total net changes in net position for the year ended September 30, 2023 per statement of activities		<u>\$ 1,071,746</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF DEQUINCY, LOUISIANA

Statement of Net Position
Proprietary Funds
September 30, 2023

	Gas Utility Fund	Sewer Utility Fund	Industrial Airpark Fund	Total Proprietary Fund
ASSETS				
Current assets:				
Cash and interest-bearing demand deposits	\$ 339,423	\$ 503,706	\$ 268,108	\$ 1,111,237
Investments	-	337,691	159,183	496,874
Accounts receivable, net	29,960	64,511	221	94,692
Prepaid items	44,993	15,465	10,742	71,200
Due from other governmental agencies	-	293,428	92,753	386,181
Due from other funds	285,212	1,394,783	654,640	2,334,635
Inventory	-	-	14,439	14,439
Total current assets	<u>699,588</u>	<u>2,609,584</u>	<u>1,200,086</u>	<u>4,509,258</u>
Noncurrent assets:				
Restricted assets -				
Cash and interest-bearing demand deposits	129,819	261,338	-	391,157
Investments	98,722	-	-	98,722
Capital assets -				
Land and construction in progress	11,000	483,891	845,697	1,340,588
Capital assets, net	<u>65,923</u>	<u>3,101,407</u>	<u>2,327,112</u>	<u>5,494,442</u>
Total noncurrent assets	<u>305,464</u>	<u>3,846,636</u>	<u>3,172,809</u>	<u>7,324,909</u>
Total assets	<u>1,005,052</u>	<u>6,456,220</u>	<u>4,372,895</u>	<u>11,834,167</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	<u>47,922</u>	<u>256,976</u>	<u>-</u>	<u>304,898</u>
LIABILITIES				
Current liabilities:				
Accounts payable	27,015	170,117	46,803	243,935
Accrued liabilities	2,666	17,154	938	20,758
Retainage payable	-	10,243	-	10,243
Due to other funds	176,913	-	5,000	181,913
Customer deposits	118,021	-	-	118,021
Revenue bonds payable-current portion	-	112,289	-	112,289
Total current liabilities	<u>324,615</u>	<u>309,803</u>	<u>52,741</u>	<u>687,159</u>
Noncurrent liabilities:				
Compensated absences	3,798	35,939	1,281	41,018
Revenue bonds payable	-	1,561,540	-	1,561,540
Net pension liability	<u>160,779</u>	<u>866,214</u>	<u>-</u>	<u>1,026,993</u>
Total noncurrent liabilities	<u>164,577</u>	<u>2,463,693</u>	<u>1,281</u>	<u>2,629,551</u>
Total liabilities	<u>489,192</u>	<u>2,773,496</u>	<u>54,022</u>	<u>3,316,710</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	<u>1,464</u>	<u>7,927</u>	<u>-</u>	<u>9,391</u>
NET POSITION				
Net investment in capital assets	76,923	1,911,469	3,172,809	5,161,201
Restricted for debt service	-	261,338	-	261,338
Unrestricted	<u>485,395</u>	<u>1,758,966</u>	<u>1,146,064</u>	<u>3,390,425</u>
Total net position	<u>\$ 562,318</u>	<u>\$ 3,931,773</u>	<u>\$ 4,318,873</u>	<u>\$ 8,812,964</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF DEQUINCY, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position -
Proprietary Fund
For the Year Ended September 30, 2023

	Gas Utility Fund	Sewer Utility Fund	Industrial Airpark Fund	Total Proprietary Fund
Operating revenues:				
Charges for services	\$ 827,572	\$ 450,588	\$ 80,215	\$ 1,358,375
Miscellaneous	<u>15,674</u>	<u>30,298</u>	<u>26,501</u>	<u>72,473</u>
Total operating revenues	<u>843,246</u>	<u>480,886</u>	<u>106,716</u>	<u>1,430,848</u>
Operating expenses:				
Gas charges	712,553	-	-	712,553
Sewer service charges	-	1,291,865	-	1,291,865
Industrial airpark	-	-	618,369	618,369
Total operating expenses	<u>712,553</u>	<u>1,291,865</u>	<u>618,369</u>	<u>2,622,787</u>
Operating income (loss)	<u>130,693</u>	<u>(810,979)</u>	<u>(511,653)</u>	<u>(1,191,939)</u>
Nonoperating revenues (expenses):				
Non-employer pension contribution	4,463	16,675	-	21,138
Taxes	-	722,689	250,000	972,689
Grant proceeds	6,042	367,374	176,308	549,724
Interest income	6,959	17,224	12,753	36,936
Gain (loss) on sale of assets	750	(19,147)	750	(17,647)
Earnings on investments	(6,529)	-	(6,730)	(13,259)
Interest and fiscal charges	-	(64,855)	-	(64,855)
Total nonoperating revenues (expenses)	<u>11,685</u>	<u>1,039,960</u>	<u>433,081</u>	<u>1,484,726</u>
Loss before contributions and transfers	<u>142,378</u>	<u>228,981</u>	<u>(78,572)</u>	<u>292,787</u>
Transfers from other funds	750	-	2,628	3,378
Transfers to other funds	<u>(7,485)</u>	<u>(9,251)</u>	<u>(10,541)</u>	<u>(27,277)</u>
Change in net position	<u>(6,735)</u>	<u>(9,251)</u>	<u>(7,913)</u>	<u>(23,899)</u>
Change in net position	135,643	219,730	(86,485)	268,888
Net position, beginning	<u>426,675</u>	<u>3,712,043</u>	<u>4,405,358</u>	<u>8,544,076</u>
Net position, ending	<u>\$ 562,318</u>	<u>\$ 3,931,773</u>	<u>\$ 4,318,873</u>	<u>\$ 8,812,964</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF DEQUINCY, LOUISIANA

Statement of Cash Flows
Proprietary Fund
For the Year Ended September 30, 2023

	Gas Utility Fund	Sewer Utility Fund	Industrial Airpark Fund	Total Proprietary Fund
Cash flows from operating activities:				
Receipts from customers	\$ 915,830	\$ 480,173	\$ 106,716	\$ 1,502,719
Payments to suppliers	(583,136)	(161,053)	(207,764)	(951,953)
Payments to employees	<u>(113,721)</u>	<u>(644,004)</u>	<u>(60,958)</u>	<u>(818,683)</u>
Net cash provided by operating activities	<u>218,973</u>	<u>(324,884)</u>	<u>(162,006)</u>	<u>(267,917)</u>
Cash flows from noncapital financing activities:				
Cash paid to other funds	(228,294)	(67,488)	(36,699)	(332,481)
Transfers to other funds	<u>(6,735)</u>	<u>(9,251)</u>	<u>(7,913)</u>	<u>(23,899)</u>
Net cash provided by noncapital financing activities	<u>(235,029)</u>	<u>(76,739)</u>	<u>(44,612)</u>	<u>(356,380)</u>
Cash flows from capital and related financing activities:				
Principal paid on notes and revenue bonds	-	(107,476)	-	(107,476)
Interest and fiscal charges paid on notes and revenue bonds	-	(65,480)	-	(65,480)
Grant proceeds	223	73,946	112,188	186,357
Sales taxes	5,819	722,689	250,000	978,508
Cash proceeds from sale of assets	750	-	750	1,500
Acquisition of property, plant and equipment	<u>(35,545)</u>	<u>(760,835)</u>	<u>(224,922)</u>	<u>(1,021,302)</u>
Net cash used by capital and related financing activities	<u>(28,753)</u>	<u>(137,156)</u>	<u>138,016</u>	<u>(27,893)</u>
Cash flows from investing activities:				
Maturities of interest-bearing time deposits	162,918	322,494	227,776	713,188
Purchase of interest-bearing time deposits	(100,976)	(337,691)	(153,829)	(592,496)
Interest on interest-bearing deposits	<u>6,959</u>	<u>17,241</u>	<u>12,811</u>	<u>37,011</u>
Net cash used by investing activities	<u>68,901</u>	<u>2,044</u>	<u>86,758</u>	<u>157,703</u>
Net decrease in cash and cash equivalents	24,092	(536,735)	18,156	(494,487)
Cash and cash equivalents, beginning of period	<u>445,150</u>	<u>1,301,779</u>	<u>249,952</u>	<u>1,996,881</u>
Cash and cash equivalents, end of period	<u>\$ 469,242</u>	<u>\$ 765,044</u>	<u>\$ 268,108</u>	<u>\$ 1,502,394</u>

(continued)

CITY OF DEQUINCY, LOUISIANA

Statement of Cash Flows
Proprietary Fund (Continued)
For the Year Ended September 30, 2023

	Gas Utility Fund	Sewer Utility Fund	Industrial Airpark Fund	Total Proprietary Fund
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income/(loss)	\$ 130,693	\$ (810,979)	\$ (511,653)	\$ (1,191,939)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation	8,093	285,965	342,833	636,891
Pension expense	12,322	46,039	-	58,361
Bad debt expense	11,191	-	-	11,191
Changes in operating assets and liabilities:				
(Increase)/decrease in accounts receivable	57,014	(713)	-	56,301
(Increase)/decrease in prepaid items	10,680	(2,255)	(3,721)	4,704
(Increase)/decrease in inventory	-	-	1,958	1,958
Increase/(decrease) in accounts payable	(18,387)	153,950	7,503	143,066
Increase/(decrease) in accrued liabilities	896	(762)	(144)	(10)
Increase/(decrease) in customer deposits	4,379	-	-	4,379
Increase/(decrease) in compensated absence	2,092	3,871	1,218	7,181
Net cash provided by operating activities	<u>\$ 218,973</u>	<u>\$ (324,884)</u>	<u>\$ (162,006)</u>	<u>\$ (267,917)</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:				
Cash and cash equivalents, beginning of period -				
Cash - unrestricted	\$ 388,226	1,049,716	\$ 249,952	\$ 1,687,894
Cash - restricted	56,924	252,063	-	308,987
Total cash and cash equivalents	<u>445,150</u>	<u>1,301,779</u>	<u>249,952</u>	<u>1,996,881</u>
Cash and cash equivalents, end of period -				
Cash - unrestricted	339,423	503,706	268,108	1,111,237
Cash - restricted	129,819	261,338	-	391,157
Total cash and cash equivalents	<u>469,242</u>	<u>765,044</u>	<u>268,108</u>	<u>1,502,394</u>
Net increase/(decrease)	<u>\$ 24,092</u>	<u>\$ (536,735)</u>	<u>\$ 18,156</u>	<u>\$ (494,487)</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF DEQUINCY, LOUISIANA

Notes to Basic Financial Statements (Continued)

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the City of Dequincy (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The City of Dequincy was incorporated in 1903 and since 1991, the City has operated under a Mayor-Council form of government under a home rule charter.

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements include the various departments, activities, and organizational units that are within the control and authority of the Mayor and City Council of the City. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Statement No. 14 of the Governmental Accounting Standards Board. This statement defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Consistent with this criterion, the City of DeQuincy has no component units.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, except the fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues

CITY OF DEQUINCY, LOUISIANA

Notes to Basic Financial Statements (Continued)

Fund Financial Statements (FFS)

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the City are classified into two categories: governmental and proprietary (enterprise). The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type and
- b. Total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The City reports the following major governmental funds:

Governmental Funds -

General Fund

General fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. This fund is considered a major fund.

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Public Safety Fund and the Sales Tax Fund are considered special revenue funds. The Public Safety Fund accounts for the 1/2% sales tax dedicated to fire and police and related expenses. The Sales Tax Fund accounts for the 1% sales tax dedicated to street maintenance and related expenses. These funds are considered major funds.

CITY OF DEQUINCY, LOUISIANA

Notes to Basic Financial Statements (Continued)

Enterprise Funds -

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

1. The Gas Utility Revenue Fund accounts for the provision of gas services. This fund is considered a major fund.
2. The Sewer Utility Fund accounts for the provision of sewer services. This fund is considered a major fund.
3. The Industrial Airpark Fund accounts for the provision of airpark and industrial development services. This fund is considered a major fund.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

CITY OF DEQUINCY, LOUISIANA

Notes to Basic Financial Statements (Continued)

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with accounting standards.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

The proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used.

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

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity

Cash, interest-bearing deposits, and investments

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the City. For the purpose of the proprietary fund statement of cash flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less which are stated at cost.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Short-term interfund loans are reported as “interfund receivables and payables.” Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

CITY OF DEQUINCY, LOUISIANA

Notes to Basic Financial Statements (Continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes and franchise taxes. Business-type activities report customer's utility service receivables as their major receivables. Through the establishment of an allowance account, uncollectible amounts due from customers' utility receivables are determined based on the City's collection history. Receivables are reported net of an allowance for uncollectible accounts. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month are \$76,135 as of September 30, 2023.

Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. The City maintains a threshold level of \$1,000 or more for capitalizing capital assets. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	7-40 years
Leasehold improvements	5-40 years
Gas distribution system	10-25 years
Autos and trucks	3-10 years
Machinery and equipment	5-10 years
Infrastructure	20-40 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

CITY OF DEQUINCY, LOUISIANA

Notes to Basic Financial Statements (Continued)

Restricted Assets

Restricted assets include cash, interest-bearing deposits, and investments of the proprietary fund that are legally restricted as to their use.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of the revenue bonds payable and utility customer deposits payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures of revenues, respectively. At September 30, 2023, the City's deferred outflows and inflows of resources are attributable to its pension plans.

Compensated Absences

City employees are entitled to certain compensated absences based upon their length of service.

Sick leave is earned at the rate of one day per month not to exceed twelve days in one year for one to three years of employment and up to 15 days for three years or more of employment. Employees are allowed to accumulate and carry forward up to thirty days of sick leave from year to year. Accumulated sick leave is not payable at time of separation. Salary paid for sick leave will be based on an eight-hour workday. Sick leave can be carried forward to the succeeding year or years with no limit as to the amount accumulated. No employee shall be paid for accumulated leave when he resigns or is terminated. When an employee retires, he is to be paid for accumulated sick leave as follows:

Ten to nineteen years	up to 30 days
Twenty to thirty years	up to 60 days
Thirty years or more	up to 90 days

CITY OF DEQUINCY, LOUISIANA

Notes to Basic Financial Statements (Continued)

Annual leave cannot be carried over to the following year (“use it or lose it”). Upon termination, any unused earned annual leave will be paid to the employee. Annual leave is also based on the number of months of services and is earned as follows:

After 6 months	40 hours
Between 12-59 months	80 hours
Between 60-119 months	120 hours
Between 120-179 months	160 hours
After 180 months	200 hours

As of September 30, 2023, employees of the City have accumulated and vested \$114,380 of compensated absence benefits. The estimated liabilities include required salary-related payments.

Equity Classifications

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

- a. Net investment in capital assets – This component consists of net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased balances of deferred outflows of resources related to those assets.
- b. Restricted net position – This component is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the City's debt. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets. Constraints may be placed on the use, either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.
- c. Unrestricted net position – This component consists of all other net position that does not meet the definition of the above two components and is available for general use by the City.

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balances of the governmental funds are classified as follows.

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

CITY OF DEQUINCY, LOUISIANA

Notes to Basic Financial Statements (Continued)

- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the City’s Mayor and City Council, which is the highest level of decision-making authority for the City.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City’s adopted policy, only the Mayor and City Council may assign amounts for specified purposes.
- e. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City has provided otherwise in his commitment or assignment actions.

Enterprise (Proprietary) Funds equity at the fund level is classified the same as in the government-wide statements.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, governmental funds expenditures are classified by character and proprietary fund expenses are classified by operating and nonoperating.

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

CITY OF DEQUINCY, LOUISIANA

Notes to Basic Financial Statements (Continued)

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

F. Revenue Restrictions

The City has various restrictions placed over certain revenue sources from state or local requirements. The City uses unrestricted resources only when restricted resources are fully depleted. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 3

G. Use of Estimates

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

H. Comparative Data and Reclassification

Comparative data for the prior year have been presented in certain sections of the accompanying financials statements in order to provide an understanding of changes in the City's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

(2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the City November 1 and are actually billed to taxpayers in December. Billed taxes become delinquent on January 1 of the following year. City property tax revenues are budgeted in the year billed.

For the year ended September 30, 2023, taxes of 6.02 mills were levied on property with assessed valuations totaling \$18,319,600 and total taxes levied were \$110,282. There are no taxes receivable amounts at September 30, 2023.

On July 9, 2012, the City entered into an agreement with the Chennault International Airport Authority (Authority) for the purpose of encouraging and stimulating economic development throughout Calcasieu Parish. As part of the agreement, the Authority transferred \$250,000 of ad valorem taxes levied pursuant to a 5.45 mill tax renewal approved by voters of Calcasieu Parish for the benefit of the Dequincy Airport.

CITY OF DEQUINCY, LOUISIANA

Notes to Basic Financial Statements (Continued)

(3) Sales and Use Tax

Proceeds of the 1% sales and use tax levied by the City effective November 1966 (2023 collections \$714,286) are dedicated as follows:

1. Provide funds for the maintenance of the City's streets.

Proceeds of an additional 1% sales and use tax levied by the City, effective January 1, 2011 (2023 collections \$722,689) and expires in 2036 are dedicated as follows:

1. Proceeds of the sales and use tax have been pledged and dedicated to the retirement of bonds and interest coupons to be issued for sewer improvements of the City.
2. Provide funds for the maintenance of the City's sewer system.

Proceeds of the ½% sales and use tax levied by the City effective October 1, 2012 (2023 collections \$353,698) and expires in 2027 are dedicated as follows:

1. 70% of proceeds are dedicated to Police Department expenses.
2. 30% of proceeds are dedicated to Fire Department expenses.

The above sales taxes were issued in perpetuity.

(4) Cash and Interest-Bearing Deposits and Investments

A. Cash and Interest-Bearing Deposits

Under state law, the City may deposit funds within 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 City may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At September 30, 2023, the City had cash and interest-bearing deposits (book balances) totaling \$7,060,543.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the City or the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

CITY OF DEQUINCY, LOUISIANA

Notes to Basic Financial Statements (Continued)

Deposit balances (bank balances) at September 30, 2023 were secured as follows:

Bank balances	<u>\$8,174,241</u>
Federal deposit insurance	1,061,463
Pledged securities	<u>7,112,778</u>
Total FDIC insurance and pledged securities	<u>\$8,174,241</u>

Deposits in the amount of \$7,112,778 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the City's name. Even though the pledged securities are considered uncollateralized, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand. The City does not have a policy for custodial credit risk.

B. Investments

At September 30, 2023, the City had the following investments and maturities:

	% of Portfolio	Fair Value	Investment Maturities			
			Less than 1 Year	5-10 Years	10-15 Years	15-20 Years
U.S. agency securities	21%	\$ 257,905	\$ 51,078	\$ 107,698	\$ 29,991	69,139
LAMP	<u>79%</u>	<u>982,542</u>	<u>982,542</u>	-	-	-
	<u>100%</u>	<u>\$ 1,240,447</u>	<u>\$ 1,033,620</u>	<u>\$ 107,698</u>	<u>\$ 29,991</u>	<u>\$ 69,139</u>

Custodial Credit Risk – In the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's requires all investments to be kept in the City's name and all ownership to be evidenced by an acceptable safekeeping receipt issued by a third-party financial institution which is acceptable to the City. Accordingly, the City had no custodial credit risk related to its investments at September 30, 2023.

Credit Rate Risk – The risks are managed by restricting investments to those authorized by R.S. 33:5162. The City's investment policy limits investments to fully insured and/or fully collateralized certificates of deposits and direct and indirect obligations of U.S. government agencies. At September 30, 2023, the Government's investment in U.S. agency securities were rated AA+ by Standards & Poor's.

Concentration of Credit Risk – The risk relates to the amount of investments in any one entity. At September 30, 2023, no more than 5 percent of the City's total investments were invested in any single issue.

Interest Rate Risk – The City does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

CITY OF DEQUINCY, LOUISIANA

Notes to Basic Financial Statements (Continued)

The City participates in the Louisiana Asset Management Pool (LAMP). LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No.79.

The following facts are relevant for investment pools:

- Credit risk – LAMP has a fund rating of AAAM issued by Standard & Poor’s.
- Custodial credit risk – LAMP participants’ investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity’s investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk – LAMP’s pooled investments are excluded from the 5 percent disclosure requirements.
- Interest rate risk – LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP’s total investments is 50 days as of September 30, 2023.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. LAMP is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

(5) Receivables

Governmental funds receivables at September 30, 2023 of \$113,262 consist of the following:

	General	Public Safety Sales Tax	Street Sales Tax	Total
Accounts	\$ 112,632	\$ -	\$ -	\$ 112,632
Other	-	630	-	630
Totals	<u>\$ 112,632</u>	<u>\$ 630</u>	<u>\$ -</u>	<u>\$ 113,262</u>

Proprietary funds receivables at September 30, 2023 of \$94,692 consist of the following:

	Gas Utility	Sewer Utility	Industrial Airpark	Total
Utilities	\$ 29,960	\$ 64,511	\$ -	\$ 94,471
Other	-	-	221	221
Totals	<u>\$ 29,960</u>	<u>\$ 64,511</u>	<u>\$ 221</u>	<u>\$ 94,692</u>

Total government wide receivables were \$207,954 at September 30, 2023.

CITY OF DEQUINCY, LOUISIANA

Notes to Basic Financial Statements (Continued)

(6) Due From Other Governmental Units

Amounts due from other governmental units consisted of the following at September 30, 2023:

Fund Financial Statements:

Governmental funds-	
Calcasieu Parish School Board	\$ 169,468
Calcasieu Parish Police Jury	242,311
State of Louisiana - federal grant funds	389,645
State of Louisiana - other	<u>73,009</u>
Total Fund Financial Statements	<u>\$ 874,433</u>
Proprietary funds-	
State of Louisiana - federal grant funds	<u>\$ 386,181</u>
Governmental-wide financial statements:	
Total amount reported in governmental funds	<u>\$ 874,433</u>
Total amount reported in proprietary fnds	<u>\$ 386,181</u>

(7) Capital Assets

Capital asset activity for the year ended September 30, 2023 was as follows:

	Balance 10/1/2022	Additions	Deletions	Balance 9/30/2023
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 172,300	\$ 16,412	\$ -	\$ 188,712
Construction in process	25,668	69,829	25,667	69,830
Property held for future use or sale	92,900	-	-	92,900
Other capital assets:				
Buildings and improvements	2,376,608	7,430	-	2,384,038
Improvements other than buldings	1,688,472	16,059	-	1,704,531
Automobiles	1,751,903	47,429	-	1,799,332
Machinery and equipment	1,269,007	74,490	-	1,343,497
Infrastructure	<u>3,502,427</u>	<u>400,481</u>	-	<u>3,902,908</u>
Totals	<u>10,879,285</u>	<u>632,130</u>	<u>25,667</u>	<u>11,485,748</u>
Less accumulated depreciation				
Buildings and improvements	1,413,149	46,835	-	1,459,984
Improvements other than buldings	1,239,571	65,993	-	1,305,564
Automobiles	1,129,508	142,566	-	1,272,074
Machinery and equipment	840,669	108,281	-	948,950
Infrastructure	<u>1,033,632</u>	<u>97,593</u>	-	<u>1,131,225</u>
Total accumulated depreciation	<u>5,656,529</u>	<u>461,268</u>	-	<u>6,117,797</u>
Governmental activities capital assets, net	<u>\$ 5,222,756</u>	<u>\$ 170,862</u>	<u>\$ 25,667</u>	<u>\$ 5,367,951</u>

CITY OF DEQUINCY, LOUISIANA

Notes to Basic Financial Statements (Continued)

(7) Capital Assets (continued)

Depreciation was charged to governmental activities as follows:

General government	\$ 88,191
Police	131,225
Fire	97,156
Streets	<u>144,696</u>
Total depreciation expense	<u>\$ 461,268</u>

	<u>Balance</u> <u>10/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/2023</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 164,383	\$ -	\$ -	\$ 164,383
Construction in progress	532,185	644,020	-	1,176,205
Other capital assets:				
Buildings	362,611	-	-	362,611
Improvements	7,866,996	-	-	7,866,996
Gas distribution system	630,851	35,545	-	666,396
Sewer system	5,986,112	315,444	165,901	6,135,655
Autos and trucks	72,196	-	8,613	63,583
Machinery and equipment	<u>640,453</u>	<u>17,660</u>	<u>18,445</u>	<u>639,668</u>
Totals	<u>16,255,787</u>	<u>1,012,669</u>	<u>192,959</u>	<u>17,075,497</u>
Less accumulated depreciation				
Buildings	75,745	14,190	-	89,935
Improvements	5,527,957	316,672	-	5,844,629
Gas distribution system	660,647	6,859	-	667,506
Sewer system	3,190,850	246,041	146,755	3,290,136
Autos and trucks	44,551	7,058	8,613	42,996
Machinery and equipment	<u>277,639</u>	<u>46,071</u>	<u>18,445</u>	<u>305,265</u>
Total accumulated depreciation	<u>9,777,389</u>	<u>636,891</u>	<u>173,813</u>	<u>10,240,467</u>
Business-type activities, capital assets, net	<u>\$ 6,478,398</u>	<u>\$ 375,778</u>	<u>\$ 19,146</u>	<u>\$ 6,835,030</u>

Depreciation expense was charged to business-type activities as follows:

Gas	\$ 8,093
Sewer	285,965
Airpark	<u>342,833</u>
Total depreciation expense	<u>\$ 636,891</u>

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(8) Accounts and Other Payables

The accounts, salaries, and other payables consisted of the following at September 30, 2023:

	Governmental Activities	Business-Type Activities	Total
Accounts	\$ 519,919	\$ 243,935	\$ 763,854
Retainage payable	30,663	10,243	40,906
Accrued liabilities	65,817	20,758	86,575
Totals	<u>\$ 616,399</u>	<u>\$ 274,936</u>	<u>\$ 891,335</u>

(9) Long-Term Liabilities

The following is a summary of long-term liabilities transactions of the City for the year ended September 30, 2023:

	Balance 10/1/2022	Additions	Deletions	Balance 9/30/2023
Governmental activities:				
Rural Development bonds payable	\$ 325,619	\$ -	\$ 24,098	\$ 301,521
Compensated absences	60,158	30,247	17,043	73,362
Totals	<u>385,777</u>	<u>30,247</u>	<u>41,141</u>	<u>374,883</u>
Business-Type activities				
Sewer bonds	1,781,290	-	107,461	1,673,829
Comensated absences	33,837	22,743	15,562	41,018
Totals	<u>\$ 1,815,127</u>	<u>\$ 22,743</u>	<u>\$ 123,023</u>	<u>\$ 1,714,847</u>

Long-term liabilities payable at September 30, 2024 is comprised of the following:

Governmental activities:	Total	Current Portion
\$619,000 Revenue Bonds, Series 2003, due in monthly installments of \$3,188 maturing May 2033; including interest at 4.5%. These funds used to construct the Public Safety Building.	<u>\$ 301,521</u>	<u>\$ 25,205</u>

(Continued)

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Business-type activities:	Total	Current Portion
\$1,200,000 Sales Tax Bonds, Series 2019, due in semi-annual interest payments, interest ranging between 1.75% to 3.50%, and annual principal payments ranging between \$63,000 and \$104,000 maturing June 2034. Funds used for sewer improvements.	\$ 939,000	\$ 71,000
\$1,000,000 Sewer Revenue Bond, due in monthly installments of \$4,540, including interest at 4.50%, maturing May 2036. Funds used to construct the sewer plant	523,488	31,584
\$349,000 Sewer Revenue Bond, due in monthly installments of \$1,584, including interest of 4.50%, maturing March 2039. Funds used to make improvements to the Westside sewer treatment plant.	<u>211,340</u>	<u>9,706</u>
	<u>\$ 1,673,829</u>	<u>\$ 112,289</u>

The City is committed under bond agreements with the USDA Office of Rural Development to maintain certain reserve and contingency funds. The reserve and sinking fund amounts for the Public Safety building bonds was \$73,671 and \$15,326, respectively, and the reserve and contingency fund amounts for the sewer system bonds was \$100,878 and \$125,279, respectively, at September 30, 2023. Additionally, under provisions of the 2019 bond issue, the City established a bond sinking fund whereby the City deposits monthly a pro rata amount to fully fund the upcoming debt service payments. The amount in the sinking fund was \$35,181 at September 30, 2023.

The annual requirements to amortize all bonds and notes outstanding as of September 30, 2023, are as follows:

Year Ended June 30,	Governmental Activities		Business-type Activities	
	Bonds		Bonds	
	Principal	Interest	Principal	Interest
2024	\$ 25,205	\$ 13,049	\$ 112,289	\$ 61,779
2025	26,363	11,891	116,186	57,923
2026	27,574	10,680	121,170	53,909
2027	28,841	9,414	125,245	49,716
2028	30,166	8,089	130,415	45,376
2029-2033	163,373	18,375	739,288	151,012
2034-2038	-	-	320,987	23,547
2039-2043	-	-	<u>8,248</u>	<u>94</u>
	<u>\$ 301,521</u>	<u>\$ 71,498</u>	<u>\$ 1,673,829</u>	<u>\$ 443,355</u>

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(10) Pension Plans

The City participates in two cost-sharing defined benefit plans, each administered by separate public employee retirement systems. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all plans administered by these public employee retirement systems to the State Legislature. These plans are not closed to new entrants. Substantially all City employees participate in one of the following retirement systems:

Plan Descriptions:

Municipal Employees' Retirement Systems (MERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:1731 and 11:1781. The City participates in Plan A.

State of Louisiana - Municipal Police Employees' Retirement System (MPERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:2211 and 11:2220.

The systems' financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Interest income is recognized when earned.

A brief summary of eligibility and benefits of the plans are provided in the following table:

	MERS	MPERS
Final average salary	Final average compensation	Highest 36 months or 60 months ²
Years of service required and/or age eligible for benefits	25 years of any age 10 years age 60 20 years any age ¹	25 years of any age 20 years age 55 12 years age 55 20 years any age ¹ 30 years any age ³ 25 years age 55 ³ 10 years age 60 ³
Benefit percent per years of service	3.00%	2.50 - 3.33% ⁴

¹ With actuarial reduced benefits

² Membership commencing January 1, 2013

³ Under non hazardous duty sub plan commencing January 1, 2013

⁴ Membership commencing January 1, 2013 non hazardous duty plan 2.5%, hazardous duty plan 3.0%, membership prior to January 1, 2013 3.33%.

(Continued)

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. Contributions of employees, employers, and non-employer contributing entities effective for the year ended September 30, 2023 for the defined benefit pension plans in which the City is a participating employer were as follows:

<u>Plan</u>	<u>Active Member Contribution Percentage</u>	<u>Employer Contribution Percentage</u>	<u>Nonemployer Contributing Entities</u>	<u>Government Contributions</u>
MERS	10.00%	29.50%	\$ 29,971	\$ 40,577
MPERS	10.00%	29.75%	28,949	68,326
Total			<u>\$ 58,920</u>	<u>\$ 108,903</u>

Net Pension Liability

The City's net pension liability at September 30, 2023 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the City is a participating employer. The City's net pension liability for each plan was measured as of the plan's measurement date (June 30, 2023 for both plans) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability for each of the plans in which it participates was based on the City's required contributions in proportion to total required contributions for all employers. As of the most recent measurement date, the City's proportion for each plan and the change in proportion from the prior measurement date were as follows:

<u>Plan</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Proportionate Share (%) of Net Pension Liability</u>	<u>Increase/(Decrease) from Prior Measurement Date</u>
MERS	\$ 1,456,123	0.398407%	0.067267%
MPERS	1,326,137	0.125522%	-0.004548%
Total	<u>\$ 2,782,260</u>		

Since the measurement date of the net pension liability was September 30, 2023, the net pension liability is based upon fiduciary net position for each of the plans as of those dates. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the City's net pension liability is available in the separately issued plan financial reports for those fiscal years. The financial report for each plan may be accessed on their website as follows:

- MERS - <http://www.mersla.com/>
- MPERS - <http://lampers.org/>

(Continued)

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Actuarial Assumptions

The following table provides information concerning actuarial assumptions used in the determination of the total pension liability for each of the defined benefit plans in which the primary government is a participating employer:

	<u>MERS</u>	<u>MPERS</u>
Date of experience study on which significant assumptions are based	7/1/2013 - 6/30/2018	7/1/2014 - 6/20/2019
Actuarial cost method	Entry Age Normal	Entry Age Normal
Investment rate of return	6.85%, net of investment expense	6.75%, net of investment expense
Expected remaining service lives	3	4
Inflation rate	2.5%	2.5%
Projected salary increases	4.5% - 6.4%	4.70% - 12.30%
Projected benefit changes including COLAs	None	None
Source of mortality assumptions	(1), (2), (3)	(4), (5), (6)

- (1) PUBG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using MP2018 scales
- (2) PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusting using MP2018 scales
- (3) PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale
- (4) RP-2010 Safety Below-Median Healthy Retiree Table multiplied by 115% for males and 125% for females, each with full generational projection using the MP 2019 scale
- (5) RP-2010 Safety Below-Median Employee Table multiplied by 115% for males and 125% for females, each with full generational projection using the MP 2019 scale
- (6) RP-2010 Safety Disable Retiree Table multiplied by 105% for males and 115% for females, each with full generational projection using the MP 2019 scale

Cost of Living Adjustments

The pension plans in which the City participates have the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis.

Pursuant to LRS 11:242(B), the power of the Board of Trustees of the statewide systems (MERS and MPERS) to grant a COLA is effective in calendar years that the legislature fails to grant a COLA, unless in the legislation granting a COLA, the legislature authorizes the Board of Trustees to provide an additional COLA. The authority to grant a COLA by the Board is subject to the funded status and interest earnings. The effects of the benefit changes made as a result of the COLAs is included in the measurement of the total pension liability as of the measurement date at which the ad hoc COLA was granted and the amount is known and reasonably estimable.

(Continued)

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Long-term Rate of Return

For MERS and MPERS, the long-term expected rate of return for each plan 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.

The target allocation and best estimates of arithmetic/geometric real rates of return for each major asset class are summarized for each plan in the following tables:

Asset Class	MERS		MPERS	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	38.00%	1.65%	30.50%	0.85%
Equities	53.00%	2.31%	55.50%	3.60%
Alternative Investments	<u>9.00%</u>	<u>0.39%</u>	<u>14.00%</u>	<u>0.95%</u>
Totals	<u>100%</u>	4.35%	<u>100%</u>	5.40%
Inflation		<u>2.60%</u>		<u>2.66%</u>
Expected arithmetic nominal return		<u>6.95%</u>		<u>8.06%</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended September 30, 2023, the City recognized \$138,008 and \$49,572 in pension expense related to MERS and MPERS, respectively.

(Continued)

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	MERS	MPERS	Total
Difference between expected and actual experience	\$ 977	\$ 93,413	\$ 94,390
Changes of assumptions	-	22,129	22,129
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	195,672	5,436	201,108
Net differences between projected and actual earnings on plan investments	167,324	143,164	310,488
Contributions subsequent to the measurement date	40,577	68,326	108,903
Total	<u>\$ 404,550</u>	<u>\$332,468</u>	<u>\$ 737,018</u>

	Deferred Inflows of Resources		
	MERS	MPERS	Total
Difference between expected and actual experience	\$ 13,314	\$ 556	\$ 13,870
Net differences between projected and actual earnings on plan investments	-	-	-
Changes of assumptions	-	-	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	52,109	52,109
Total	<u>\$ 13,314</u>	<u>\$ 52,665</u>	<u>\$ 65,979</u>

Deferred outflows of resources of \$108,903 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending September 30, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

<u>Year Ended June 30,</u>	MERS	MPERS	Total
2024	\$ 46,971	\$ 32,351	\$ 79,322
2025	43,168	44,364	87,532
2026	13,510	16,066	29,576
2027	67,703	38,495	106,198
	<u>\$ 171,352</u>	<u>\$ 131,276</u>	<u>\$ 302,628</u>

(Continued)

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan’s fiduciary net positions 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 discount rate used to measure the total pension liability for MERS was 6.85%, a decrease of .00% from the prior year. The discount rate used to measure the total pension liability for MPERS was 6.75%, a decrease of .00% from the prior year.

Sensitivity of the Government’s Proportional Share of the Net Pension Liabilities to Changes in the Discount Rate:

The following presents the Government’s proportionate shares of the net pension liabilities of the plans, calculated using their respective discount rates, as well as what the Government’s proportionate shares of the net pension liabilities would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Plan	Current Discount Rate	Net Pension Liability		
		1% Decrease	Current Discount Rate	1% Increase
MERS	6.850%	\$ 2,018,729	\$ 1,456,123	\$ 980,890
MPERS	6.750%	1,865,978	1,326,137	875,169
Total		<u>\$ 3,884,707</u>	<u>\$ 2,782,260</u>	<u>\$ 1,856,059</u>

Payables to the Pension Plans

At September 30, 2023, the City’s payables were \$4,882 and \$14,344 to MERS and MPERS, respectively, for the month of September 2023, which were the contractually required contributions.

(11) On-Behalf Payment of Salaries

The City has recognized \$61,882 as a revenue and expenditure for on-behalf salary payments made by the State of Louisiana.

(12) Risk Management

The City is exposed to risks of loss in the areas of general and auto liability, property hazards and workers’ compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(13) Fair Value Measurement

Professional standards require the disclosure for fair value measurements of financial assets and liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. The standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of inputs used to measure fair value are as follows:

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b. Level 2 inputs are observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- c. Level 3 inputs are unobservable inputs for the asset or liability.

The following methods and assumptions were used by the Government in estimating fair values of financial instruments:

- a. The carrying amount reported in the statement of net position for the following approximates fair value due to the short maturities of these instruments: cash, accounts receivable, and accounts payable.
- b. The fair value for investment securities are based on quoted market prices at the reporting date multiplied by the quantity held. The carrying value equals fair value.

The following table presents assets that are measured at fair value on a recurring basis at September 30, 2023:

Proprietary Funds:

<u>Description</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. agency securities	<u>\$ 257,905</u>	<u>\$ 257,905</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(14) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at September 30, 2023:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental Funds:		
General Fund	\$ -	\$2,546,409
Public Safety Special Revenue Fund	648,455	-
Street Special Revenue Fund	397,338	652,106
Enterprise Fund:		
Gas Utility Fund	285,212	181,913
Sewer Utility Fund	1,394,783	-
Industrial Airpark	<u>654,640</u>	<u>-</u>
Total	<u>\$3,380,428</u>	<u>\$3,380,428</u>

Transfers are recorded in the year in which they were budgeted. However, the amounts are not always paid in that same year; therefore, causing balances as noted above. These balances are expected to be paid within the next fiscal year.

B. Interfund Transfers

Interfund transfers consisted of the following at September 30, 2023:

	<u>Interfund Transfers In</u>	<u>Interfund Transfers Out</u>
Governmental Funds:		
General Fund	\$ 28,256	\$ 989,902
Public Safety Special Revenue Fund	867,260	-
Street Special Revenue Fund	-	9,113
Other Governmental Funds	127,398	-
Enterprise Fund:		
Gas Utility Fund	750	7,485
Sewer Utility Fund	-	9,251
Industrial Airpark	<u>2,628</u>	<u>10,541</u>
Total	<u>\$1,026,292</u>	<u>\$1,026,292</u>

Transfers made to the General Fund are for the normal operations of the City. The amounts each fund will transfer are calculated as part of the budget preparation process. These amounts reflect each fund's proportionate share of expenses paid out of the General Fund.

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(15) Compensation of City Officials

A detail of compensation paid to the Mayor and City Council members for the year ended September 30, 2023 follows:

Riley Smith, Mayor	\$21,619
City Council:	
Denise Maddox (outgoing)	450
Mark Peloquin (outgoing)	450
Judy Landy (outgoing)	450
Ronda Jacobs (outgoing)	450
Margaret Brown	1,800
Bobby Dahlquist (incoming)	1,350
Cameron Smith (incoming)	1,350
James Smith (incoming)	1,350
Scott Wylie (incoming)	1,350
	<u>\$30,619</u>

(16) Compensation, Reimbursements, Benefits, and Other Payments to Entity Head

Under Act 706, the City of Dequincy is required to disclose the compensation, reimbursements, benefits, and other payments made to the mayor, in which the payments are related to the position. The following is a schedule of payments made to Riley Smith, Mayor for the year ended September 30, 2023:

Salary	\$ 21,619
Benefits - retirement	8,805
Benefits - insurance	6,377
Meals and mileage	280
Cell phone	773
Registration fees	385
Reimbursements	109
	<u>\$ 38,348</u>

(17) Pending Litigation

At September 30, 2024, the City is not involved in any lawsuits and is not aware of any unasserted claims.

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF DEQUINCY, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$ 259,500	\$ 259,500	\$ 304,227	\$ 44,727
Licenses and permits	227,000	228,000	191,928	(36,072)
Charges for services	270,000	270,000	287,368	17,368
Intergovernmental	406,000	956,000	944,543	(11,457)
Miscellaneous	24,510	204,510	739,971	535,461
Total revenues	<u>1,187,010</u>	<u>1,918,010</u>	<u>2,468,037</u>	<u>550,027</u>
Expenditures:				
Current-				
General government	508,900	621,400	577,583	43,817
Sanitation	260,000	260,000	254,120	5,880
Cultural and recreation	6,800	21,800	22,562	(762)
Capital outlay	455,900	171,400	67,974	103,426
Total expenditures	<u>1,231,600</u>	<u>1,074,600</u>	<u>922,239</u>	<u>152,361</u>
Deficiency of revenues over expenditures	<u>(44,590)</u>	<u>843,410</u>	<u>1,545,798</u>	<u>702,388</u>
Other financing sources (uses):				
Transfers in	-	25,000	28,256	3,256
Transfers out	-	(988,823)	(989,902)	(1,079)
Total other financing sources (uses)	<u>-</u>	<u>(963,823)</u>	<u>(961,646)</u>	<u>2,177</u>
Net change in fund balances	(44,590)	(120,413)	584,152	704,565
Fund balance, beginning	<u>1,934,362</u>	<u>1,934,362</u>	<u>1,934,362</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,889,772</u>	<u>\$ 1,813,949</u>	<u>\$ 2,518,514</u>	<u>\$ 704,565</u>

See notes to required supplementary information.

CITY OF DEQUINCY, LOUISIANA
Public Safety Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 280,000	\$ 280,000	\$ 353,698	\$ 73,698
Fines and forfeits	250,000	250,000	300,761	50,761
Charges for service	2,000	202,000	293,863	91,863
Intergovernmental	121,900	266,900	299,198	32,298
Miscellaneous	100	100	129	29
Total revenues	<u>654,000</u>	<u>999,000</u>	<u>1,247,649</u>	<u>248,649</u>
Expenditures:				
Public safety -				
Police	1,229,800	1,560,800	1,543,860	16,940
Fire	<u>120,020</u>	<u>180,920</u>	<u>182,965</u>	<u>(2,045)</u>
Total public safety	1,349,820	1,741,720	1,726,825	14,895
Capital outlay	<u>120,000</u>	<u>125,000</u>	<u>121,920</u>	<u>3,080</u>
Total expenditures	<u>1,469,820</u>	<u>1,866,720</u>	<u>1,848,745</u>	<u>17,975</u>
Excess (deficiency) of revenues over expenditures	(815,820)	(867,720)	(601,096)	266,624
Other financing sources (uses):				
Transfers in	<u>815,820</u>	<u>867,720</u>	<u>867,260</u>	<u>460</u>
Total other financing sources (uses)	<u>815,820</u>	<u>867,720</u>	<u>867,260</u>	<u>460</u>
Net change in fund balance	-	-	266,164	266,164
Fund balance, beginning	<u>411,308</u>	<u>411,308</u>	<u>411,308</u>	<u>-</u>
Fund balance, ending	<u>\$ 411,308</u>	<u>\$ 411,308</u>	<u>\$ 677,472</u>	<u>\$ 266,164</u>

See notes to required supplementary information.

CITY OF DEQUINCY, LOUISIANA
Streets Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2023

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 560,000	\$ 560,000	\$ 714,286	\$154,286
Grants	70,000	70,000	330,933	260,933
Interest earned	1,500	1,500	4,745	3,245
Miscellaneous	1,000	1,000	80,440	79,440
Total revenues	<u>632,500</u>	<u>632,500</u>	<u>1,130,404</u>	<u>497,904</u>
Expenditures:				
Highways and streets	656,300	651,050	607,677	43,373
Capital outlay	<u>339,750</u>	<u>450,000</u>	<u>416,569</u>	<u>33,431</u>
Total expenditures	<u>996,050</u>	<u>1,101,050</u>	<u>1,024,246</u>	<u>76,804</u>
Excess of revenues over expenditures	(363,550)	(468,550)	106,158	574,708
Other financing uses:				
Transfers (in) out	<u>(4,500)</u>	<u>(9,500)</u>	<u>(9,113)</u>	<u>387</u>
Net change in fund balance	(368,050)	(478,050)	97,045	575,095
Fund balance, beginning	<u>1,139,173</u>	<u>1,139,173</u>	<u>1,139,173</u>	<u>-</u>
Fund balance, ending	<u>\$ 771,123</u>	<u>\$ 661,123</u>	<u>\$1,236,218</u>	<u>\$575,095</u>

See notes to required supplementary information.

CITY OF DEQUINCY, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
For the Year Ended September 30, 2023

Year Ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Municipal Employees' Retirement System:					
2014	\$ 682,128	0.265787%	\$ 447,851	152.3%	74.08%
2015	972,387	0.272213%	464,603	209.3%	66.18%
2016	1,102,770	0.269053%	480,623	229.4%	62.11%
2017	1,079,339	0.258004%	468,554	230.4%	62.49%
2018	1,032,043	0.249245%	455,188	226.7%	63.94%
2019	1,064,384	0.254719%	472,619	225.2%	64.68%
2020	1,195,695	0.276563%	528,602	226.2%	64.52%
2021	821,429	0.295322%	584,786	140.5%	77.82%
2022	1,375,285	0.331140%	667,773	206.0%	67.87%
2023	1,456,123	0.398407%	854,694	170.4%	0.00%
Municipal Police Employees' Retirement System:					
2014	548,931	0.093498%	285,005	192.6%	75.10%
2015	768,981	0.098160%	260,504	295.2%	70.73%
2016	944,602	0.100781%	262,302	360.1%	66.04%
2017	824,903	0.094486%	281,068	293.5%	70.08%
2018	842,667	0.099676%	295,187	285.5%	71.89%
2019	851,607	0.093772%	296,667	287.1%	71.01%
2020	1,238,047	0.133954%	413,748	299.2%	70.94%
2021	727,673	0.136510%	416,468	174.7%	84.09%
2022	1,329,546	0.130070%	472,518	281.4%	70.80%
2023	1,326,136	0.125522%	433,801	305.7%	0.00%

* The amounts presented have a measurement date of the previous fiscal year end.

This schedule is intended to show information for 10 years.

See notes to required supplementary information.

CITY OF DEQUINCY, LOUISIANA

Schedule of Employer Contributions
For the Year Ended September 30, 2023

<u>Year Ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
Municipal Employees' Retirement System:					
2014	\$ 83,972	\$ 83,972	\$ -	\$ 447,851	18.75%
2015	91,759	91,759	-	464,603	19.75%
2016	94,923	94,923	-	480,623	19.75%
2017	106,596	106,596	-	468,554	22.75%
2018	112,659	112,659	-	455,188	24.75%
2019	122,881	122,881	-	472,619	26.00%
2020	146,687	146,687	-	528,602	27.75%
2021	172,512	172,512	-	584,786	29.50%
2022	196,993	196,993	-	667,773	29.50%
2023	236,221	236,221	-	854,694	27.64%
Municipal Police Employees' Retirement System:					
2014	90,489	90,489	-	285,005	31.50%
2015	82,710	82,710	-	260,504	31.75%
2016	83,281	83,281	-	262,302	31.75%
2017	89,239	89,239	-	281,068	31.75%
2018	90,770	90,770	-	295,187	30.75%
2019	95,675	95,675	-	296,667	32.25%
2020	134,468	134,468	-	413,748	32.50%
2021	140,558	140,558	-	416,468	33.75%
2022	140,574	140,574	-	472,518	29.75%
2023	132,882	132,882	-	433,801	30.63%

This schedule is intended to show information for 10 years.

See notes to required supplementary information.

CITY OF DEQUINCY, LOUISIANA

Notes to the Required Supplementary Information
For the Year Ended September 30, 2023

(1) Budget and Budgetary Accounting

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

1. The City Clerk submits, no later than 15 days prior to the beginning of each fiscal year, to the Mayor and City Council a proposed operating budget.
2. A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the City Council.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the City Council.

(2) Pension Plans

Changes of Assumptions - Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plans. These assumptions include the rate of investment return, mortality of plan members, rate of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plans.

(3) Excess of Expenditures Over Appropriations

For the year ended September 30, 2023, the following funds had actual expenditures over appropriations, at the functional level, as follows:

Fund and Function	Budget	Actual	Excess
General Fund:			
Cultural and recreation	\$ 21,800	\$ 22,562	\$ (762)

SUPPLEMENTARY INFORMATION

CITY OF DEQUINCY, LOUISIANA

Statement of Net Position
September 30, 2023
With Comparative Totals for September 30, 2022

	2023			2022
	Governmental Activities	Business-Type Activities	Total	Total
ASSETS				
Current assets:				
Cash and interest-bearing demand deposits	\$ 5,469,152	\$ 1,111,237	\$ 6,580,389	\$ 6,401,267
Investments	644,851	496,874	1,141,725	338,999
Receivables, net	113,262	94,692	207,954	198,770
Internal balances	(2,152,722)	2,152,722	-	-
Due from other governmental units	874,433	386,181	1,260,614	1,014,409
Inventory	-	14,439	14,439	16,397
Prepaid items	99,627	71,200	170,827	162,874
Total current assets	<u>5,048,603</u>	<u>4,327,345</u>	<u>9,375,948</u>	<u>8,132,716</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing demand deposits	88,997	391,157	480,154	417,652
Investments	-	98,722	98,722	167,251
Capital assets, net	<u>5,367,951</u>	<u>6,835,030</u>	<u>12,202,981</u>	<u>11,701,155</u>
Total noncurrent assets	<u>5,456,948</u>	<u>7,324,909</u>	<u>12,781,857</u>	<u>12,286,058</u>
Total assets	<u>10,505,551</u>	<u>11,652,254</u>	<u>22,157,805</u>	<u>20,418,774</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>432,120</u>	<u>304,898</u>	<u>737,018</u>	<u>828,525</u>
LIABILITIES				
Current liabilities:				
Accounts, salaries and other payables	616,399	274,936	891,335	544,067
Bonds payable	25,205	112,289	137,494	131,574
Customers' deposits payable	-	118,021	118,021	113,642
Total current liabilities	<u>641,604</u>	<u>505,246</u>	<u>1,146,850</u>	<u>789,283</u>
Noncurrent liabilities:				
Compensated absences	73,362	41,018	114,380	93,995
Bonds payable	276,316	1,561,540	1,837,856	1,975,334
Net pension liability	<u>1,755,267</u>	<u>1,026,993</u>	<u>2,782,260</u>	<u>2,704,831</u>
Total noncurrent liabilities	<u>2,104,945</u>	<u>2,629,551</u>	<u>4,734,496</u>	<u>4,774,160</u>
Total liabilities	<u>2,746,549</u>	<u>3,134,797</u>	<u>5,881,346</u>	<u>5,563,443</u>
DEFERRED INFLOWS OF RESOURCES	<u>56,588</u>	<u>9,391</u>	<u>65,979</u>	<u>76,992</u>
NET POSITION				
Net investment in capital assets	5,367,951	5,161,201	10,529,152	10,027,341
Restricted for public safety	677,472	-	677,472	411,308
Restricted for street maintenance	1,236,218	-	1,236,218	1,139,173
Restricted for debt service	88,997	261,338	350,335	401,151
Unrestricted	<u>763,896</u>	<u>3,390,425</u>	<u>4,154,321</u>	<u>3,627,891</u>
Total net position	<u>\$ 8,134,534</u>	<u>\$ 8,812,964</u>	<u>\$ 16,947,498</u>	<u>\$ 15,606,864</u>

CITY OF DEQUINCY, LOUISIANA

Balance Sheet
 General and Special Revenue Funds
 September 30, 2023
 With Comparative Amounts for September 30, 2022

	General		Public Safety Special Revenue		Streets Special Revenue	
	2023	2022	2023	2022	2023	2022
ASSETS						
Cash and interest-bearing demand deposits	\$ 3,956,796	\$ 1,127,563	\$ 36,322	\$ 75,314	\$ 1,476,034	\$ 2,730,089
Interest-bearing time deposits	644,851	615,831	-	-	-	-
Restricted cash	-	88,823	-	-	-	-
Receivables:						
Other	112,632	571,148	630	149,657	-	157,822
Due from other governmental units	455,066	-	42,493	-	376,874	154,926
Due from other funds	-	1,322,558	648,455	358,911	397,338	-
Prepaid items	15,168	9,991	72,519	65,908	11,940	11,070
Total assets	<u>\$ 5,184,513</u>	<u>\$ 3,735,914</u>	<u>\$ 800,419</u>	<u>\$ 649,790</u>	<u>\$ 2,262,186</u>	<u>\$ 3,053,907</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 72,947	\$ 60,304	\$ 106,678	\$ 205,436	\$ 340,294	\$ 64,382
Accrued liabilities	46,643	49,040	16,269	12,603	2,905	2,958
Retainage payable	-	-	-	-	30,663	8,208
Due to other funds	2,546,409	1,692,208	-	20,443	652,106	1,839,184
Total liabilities	<u>2,665,999</u>	<u>1,801,552</u>	<u>122,947</u>	<u>238,482</u>	<u>1,025,968</u>	<u>1,914,732</u>
Fund balances -						
Nonspendable (prepaid items)	15,168	9,991	72,519	65,908	11,940	11,070
Restricted:						
Public safety	-	-	604,953	345,400	-	-
Street maintenance	-	-	-	-	1,224,278	1,128,105
Debt service	-	88,823	-	-	-	-
Unassigned	2,503,346	1,835,548	-	-	-	-
Total fund balances	<u>2,518,514</u>	<u>1,934,362</u>	<u>677,472</u>	<u>411,308</u>	<u>1,236,218</u>	<u>1,139,175</u>
Total liabilities and fund balances	<u>\$ 5,184,513</u>	<u>\$ 3,735,914</u>	<u>\$ 800,419</u>	<u>\$ 649,790</u>	<u>\$ 2,262,186</u>	<u>\$ 3,053,907</u>

CITY OF DEQUINCY, LOUISIANA

Statement of Net Position
 Proprietary Funds
 September 30, 2023
 With Comparative Actual Amounts at September 30, 2022

	Gas	Sewer	Industrial	Total	
	Utility Fund	Utility Fund	Airpark Fund	2023	2022
ASSETS					
Current assets:					
Cash and interest-bearing deposits	\$ 339,423	\$ 503,706	\$ 268,108	\$ 1,111,237	\$ 1,687,894
Investments	-	337,691	159,183	496,874	562,408
Accounts receivable, net	29,960	64,511	221	94,692	140,637
Prepaid expenses	44,993	15,465	10,742	71,200	75,904
Due from other governmental agencies	-	293,428	92,753	386,181	-
Due from other funds	285,212	1,394,783	654,640	2,334,635	2,192,181
Inventory	-	-	14,439	14,439	16,397
Total current assets	<u>699,588</u>	<u>2,609,584</u>	<u>1,200,086</u>	<u>4,509,258</u>	<u>4,675,421</u>
Noncurrent assets:					
Restricted assets -					
Cash and interest-bearing deposits	129,819	261,338	-	391,157	308,987
Investments	98,722	-	-	98,722	167,251
Capital assets -					
Land and construction in progress	11,000	483,891	845,697	1,340,588	696,568
Capital assets, net	<u>65,923</u>	<u>3,101,407</u>	<u>2,327,112</u>	<u>5,494,442</u>	<u>5,781,830</u>
Total noncurrent assets	<u>305,464</u>	<u>3,846,636</u>	<u>3,172,809</u>	<u>7,324,909</u>	<u>6,954,636</u>
Total assets	<u>1,005,052</u>	<u>6,456,220</u>	<u>4,372,895</u>	<u>11,834,167</u>	<u>11,630,057</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	<u>47,922</u>	<u>256,976</u>	<u>-</u>	<u>304,898</u>	<u>284,695</u>
LIABILITIES					
Current liabilities:					
Accounts payable	27,015	170,117	46,803	243,935	100,866
Accrued liabilities	2,666	17,154	938	20,758	21,393
Retainage payable	-	10,243	-	10,243	18,876
Due to other funds	176,913	-	5,000	181,913	321,814
Customer deposits	118,021	-	-	118,021	113,642
Revenue bonds payable-current portion	-	112,289	-	112,289	107,476
Total current liabilities	<u>324,615</u>	<u>309,803</u>	<u>52,741</u>	<u>687,159</u>	<u>684,067</u>
Noncurrent liabilities:					
Compensated absence	3,798	35,939	1,281	41,018	33,837
Revenue bonds payable	-	1,561,540	-	1,561,540	1,673,814
Net pension liability	<u>160,779</u>	<u>866,214</u>	<u>-</u>	<u>1,026,993</u>	<u>969,979</u>
Total noncurrent liabilities	<u>164,577</u>	<u>2,463,693</u>	<u>1,281</u>	<u>2,629,551</u>	<u>2,677,630</u>
Total liabilities	<u>489,192</u>	<u>2,773,496</u>	<u>54,022</u>	<u>3,316,710</u>	<u>3,361,697</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	<u>1,464</u>	<u>7,927</u>	<u>-</u>	<u>9,391</u>	<u>8,979</u>
NET POSITION					
Net investment in capital assets	76,923	1,911,469	3,172,809	5,161,201	4,697,108
Restricted for debt service	-	261,338	-	261,338	308,987
Unrestricted (deficit)	<u>485,395</u>	<u>1,758,966</u>	<u>1,146,064</u>	<u>3,390,425</u>	<u>3,537,981</u>
Total net position	<u>\$ 562,318</u>	<u>\$ 3,931,773</u>	<u>\$ 4,318,873</u>	<u>\$ 8,812,964</u>	<u>\$ 8,544,076</u>

CITY OF DEQUINCY, LOUISIANA
Enterprise Funds

Comparative Departmental Statement of Revenues and Expenses
Years Ended September 30, 2023 and 2022

	Total Enterprise Funds	
	2023	2022
Operating revenues:		
Charges for services	\$ 1,358,375	\$ 1,337,123
Miscellaneous	72,473	12,879
Total operating revenues	1,430,848	1,350,002
Operating expenses:		
Salaries	573,612	495,480
Payroll taxes and retirement	225,873	142,208
Workers compensation	26,369	43,709
Fuel purchases	461,022	555,238
Repairs and maintenance	187,989	245,431
Professional fees	49,525	234,943
Telephone	9,688	9,187
Depreciation	636,891	647,685
Bad debt	11,191	18,026
Insurance	175,340	162,291
Utilities	76,017	79,923
Supplies	48,802	40,913
Inmate expense	20,150	14,650
Training	14,859	11,279
Sewer analysis	36,673	23,465
Miscellaneous	68,786	104,316
Total operating expenses	2,622,787	2,828,744
Operating income (loss)	(1,191,939)	(1,478,742)
Nonoperating revenues (expenses):		
Non-employer pension contribution	21,138	6,389
Taxes	972,689	999,882
Grant proceeds	549,724	236,752
Interest income	36,936	20,144
Gain (loss) on sale of assets	(17,647)	(289,179)
Earnings on investments	(13,259)	(71,638)
Interest and fiscal charges	(64,855)	(69,150)
Total nonoperating revenues (expenses)	1,484,726	833,200
Income (loss) before contributions and transfers	292,787	(645,542)
Transfers:		
Transfers from other funds	3,378	79,482
Transfers to other funds	(27,277)	(27,829)
Total transfers	(23,899)	51,653
Change in net position	268,888	(593,889)
Net position, beginning	8,544,076	9,137,965
Net position, ending	\$ 8,812,964	\$ 8,544,076

Gas Utility Fund		Sewer Utility Fund		Industrial Airpark Fund	
2023	2022	2023	2022	2023	2022
\$ 827,572	\$ 832,380	\$ 450,588	\$ 438,318	\$ 80,215	\$ 66,425
15,674	1,861	30,298	1,372	26,501	9,646
<u>843,246</u>	<u>834,241</u>	<u>480,886</u>	<u>439,690</u>	<u>106,716</u>	<u>76,071</u>
79,372	76,978	448,148	396,621	46,092	21,881
34,648	21,738	178,131	119,256	13,094	1,214
2,689	5,145	20,834	29,179	2,846	9,385
382,034	469,039	8,433	9,447	70,555	76,752
59,083	45,685	69,827	73,686	59,079	126,060
18,981	23,311	10,310	18,513	20,234	193,119
1,721	1,753	3,599	3,825	4,368	3,609
8,093	10,327	285,965	278,393	342,833	358,965
11,191	18,026	-	-	-	-
41,587	47,664	114,067	91,479	19,686	23,148
1,822	1,706	64,809	68,273	9,386	9,944
31,286	25,897	15,033	12,778	2,483	2,238
8,450	5,950	11,700	8,700	-	-
9,728	3,527	3,653	2,713	1,478	5,039
-	-	36,673	23,465	-	-
<u>21,868</u>	<u>24,223</u>	<u>20,683</u>	<u>57,347</u>	<u>26,235</u>	<u>22,746</u>
<u>712,553</u>	<u>780,969</u>	<u>1,291,865</u>	<u>1,193,675</u>	<u>618,369</u>	<u>854,100</u>
<u>130,693</u>	<u>53,272</u>	<u>(810,979)</u>	<u>(753,985)</u>	<u>(511,653)</u>	<u>(778,029)</u>
4,463	1,883	16,675	4,506	-	-
-	-	722,689	749,882	250,000	250,000
6,042	5,620	367,374	17,864	176,308	213,268
6,959	6,310	17,224	3,901	12,753	9,933
750	5,778	(19,147)	(294,957)	750	-
(6,529)	(31,337)	-	-	(6,730)	(40,301)
-	(214)	(64,855)	(68,588)	-	(348)
<u>11,685</u>	<u>(11,960)</u>	<u>1,039,960</u>	<u>412,608</u>	<u>433,081</u>	<u>432,552</u>
<u>142,378</u>	<u>41,312</u>	<u>228,981</u>	<u>(341,377)</u>	<u>(78,572)</u>	<u>(345,477)</u>
750	4,975	-	54,689	2,628	19,818
(7,485)	(1,953)	(9,251)	(3,790)	(10,541)	(22,086)
<u>(6,735)</u>	<u>3,022</u>	<u>(9,251)</u>	<u>50,899</u>	<u>(7,913)</u>	<u>(2,268)</u>
135,643	44,334	219,730	(290,478)	(86,485)	(347,745)
<u>426,675</u>	<u>382,341</u>	<u>3,712,043</u>	<u>4,002,521</u>	<u>4,405,358</u>	<u>4,753,103</u>
<u>\$ 562,318</u>	<u>\$ 426,675</u>	<u>\$ 3,931,773</u>	<u>\$ 3,712,043</u>	<u>\$ 4,318,873</u>	<u>\$ 4,405,358</u>

CITY OF DEQUINCY, LOUISIANA
Justice System Funding Schedule - Collecting/Disbursing Entity
For the Year Ended September 30, 2023

	<u>First Six Month Period Ended 3/31/2023</u>	<u>Second Six Month Period Ended 9/30/2023</u>
Beginning Balance of Amounts Collected	\$ -	\$ -
Add: Collections -		
Civil Fees	-	-
Bond Fees	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	142,457	162,578
Criminal Fines - Contempt	-	-
Criminal Fines - Other	-	-
Service/Collection Fees	-	-
Other	-	-
Subtotal Collections	<u>142,457</u>	<u>162,578</u>
Less: Disbursements to Governments and Nonprofits -		
DeQuincy Witness - Criminal Fees - Other	1,305	1,620
Louisiana Supreme Court- Criminal Fines - Other	179	260
THI/SCI - Criminal Fines - Other	1,060	1,445
Louisiana State Treasurer CMIS - Criminal Fines - Other	1,308	1,665
Crime-Stoppers - Criminal Fines - Other	870	1,080
Crime Lab 1 - Criminal Fines - Other	4,350	5,470
Crime Lab 2 - Criminal Fines - Other	200	450
Crime Lab 3 - Criminal Fines - Other	230	170
Crime Lab 3b - Criminal Fines - Other	9,720	13,440
Crime Lab 4 - Criminal Fines - Other	410	550
LA Commission Crime Victims - Criminal Fines - Other	100	150
LA Commission Post Law - Criminal Fines - Other	855	833
LA Commission Post Fee - Criminal Fines - Other	855	1,090
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency - Criminal Fines Other	121,015	134,355
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies -		
Bond Fee Refunds	-	-
Subtotal Disbursements/Retainage	<u>142,457</u>	<u>162,578</u>
Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ -</u>	<u>\$ -</u>

OTHER INFORMATION

CITY OF DEQUINCY, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended September 30, 2023
With Comparative Actual Amounts for the Year Ended September 30, 2022

	2023		Actual	Variance with Final Budget Positive (Negative)	2022 Actual
	Budget				
	Original	Final			
Taxes:					
Ad valorem taxes	\$ 85,000	\$ 85,000	\$ 112,831	\$ 27,831	\$ 107,259
Franchise taxes	<u>174,500</u>	<u>174,500</u>	<u>191,396</u>	<u>16,896</u>	<u>196,471</u>
Total taxes	<u>259,500</u>	<u>259,500</u>	<u>304,227</u>	<u>44,727</u>	<u>303,730</u>
Licenses and permits:					
Occupational licenses	70,000	70,000	70,307	307	69,388
Insurance licenses	70,000	80,000	85,004	5,004	78,448
Permits	<u>87,000</u>	<u>78,000</u>	<u>36,617</u>	<u>(41,383)</u>	<u>42,215</u>
Total licenses and permits	<u>227,000</u>	<u>228,000</u>	<u>191,928</u>	<u>(36,072)</u>	<u>190,051</u>
Charges for services:					
Sanitation	<u>270,000</u>	<u>270,000</u>	<u>287,368</u>	<u>17,368</u>	<u>271,720</u>
Total charges for services	<u>270,000</u>	<u>270,000</u>	<u>287,368</u>	<u>17,368</u>	<u>271,720</u>
Intergovernmental:					
Federal grant	-	350,000	328,860	(21,140)	285
State of Louisiana -					
Grants	55,000	55,000	44,659	(10,341)	650,169
Beer taxes	6,000	6,000	7,597	1,597	7,030
Casino revenue	250,000	400,000	407,727	7,727	373,254
Poker machines	<u>95,000</u>	<u>145,000</u>	<u>155,700</u>	<u>10,700</u>	<u>163,384</u>
Total intergovernmental	<u>406,000</u>	<u>956,000</u>	<u>944,543</u>	<u>(11,457)</u>	<u>1,194,122</u>
Miscellaneous:					
Rent income	10,000	140,000	155,020	15,020	11,295
Interest earned	1,510	46,510	50,340	3,830	6,936
Donations	10,000	10,000	6,623	(3,377)	180,417
Insurance rebate	-	5,000	525,812	520,812	-
Miscellaneous	<u>3,000</u>	<u>3,000</u>	<u>2,176</u>	<u>(824)</u>	<u>19,446</u>
Total miscellaneous	<u>24,510</u>	<u>204,510</u>	<u>739,971</u>	<u>535,461</u>	<u>218,094</u>
Total revenues	<u>\$ 1,187,010</u>	<u>\$ 1,918,010</u>	<u>\$ 2,468,037</u>	<u>\$ 550,027</u>	<u>\$ 2,177,717</u>

CITY OF DEQUINCY, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended September 30, 2023
With Comparative Actual Amounts for the Year Ended September 30, 2022

	2023			Variance with Final Budget Positive (Negative)	2022 Actual
	Actual		Actual		
	Original	Final			
Current:					
General government -					
Council salaries	\$ 10,000	\$ 10,000	\$ 9,000	\$ 1,000	\$ 8,700
Mayor's compensation	22,000	22,000	21,618	382	18,000
Clerk and other salaries	180,000	190,000	182,552	7,448	65,525
Payroll taxes and retirement	50,000	60,000	55,920	4,080	16,103
Worker's compensation	5,500	5,500	5,385	115	5,507
Insurance	70,000	83,000	76,852	6,148	40,576
Utilities	9,500	9,500	11,373	(1,873)	12,797
Telephone	2,000	4,500	2,170	2,330	3,365
Professional fees	8,000	8,000	9,942	(1,942)	15,698
Festivals & tourism	15,000	15,000	17,066	(2,066)	17,702
Office supplies	5,000	10,000	7,883	2,117	5,140
Tax roll collection	8,400	8,400	8,391	9	8,392
Training and conventions	2,000	10,000	1,856	8,144	2,160
Dues	2,000	2,000	1,447	553	1,260
Museum	20,000	40,000	39,778	222	22,688
Coroner/medical	5,000	10,000	4,700	5,300	7,620
Repairs and maintenance	75,000	90,000	83,840	6,160	203,105
Animal control	1,500	23,500	19,420	4,080	16,594
Miscellaneous	18,000	20,000	18,390	1,610	16,683
Total general government	<u>508,900</u>	<u>621,400</u>	<u>577,583</u>	<u>43,817</u>	<u>487,615</u>
Debt service	-	-	-	-	38,254
Sanitation	<u>260,000</u>	<u>260,000</u>	<u>254,120</u>	<u>5,880</u>	<u>252,925</u>
Cultural and recreation -					
Repairs and maintenance	2,900	2,900	2,886	14	832
Utilities	2,500	2,500	2,484	16	4,116
Miscellaneous	1,400	16,400	17,192	(792)	1,868
Total parks and recreation	<u>6,800</u>	<u>21,800</u>	<u>22,562</u>	<u>(762)</u>	<u>6,816</u>
Capital outlay:					
General government	405,900	161,400	66,750	94,650	212,104
Cultural and recreation	<u>50,000</u>	<u>10,000</u>	<u>1,224</u>	<u>8,776</u>	<u>19,400</u>
Total capital outlay	<u>455,900</u>	<u>171,400</u>	<u>67,974</u>	<u>103,426</u>	<u>231,504</u>
Total expenditures	<u>\$1,231,600</u>	<u>\$1,074,600</u>	<u>\$922,239</u>	<u>\$ 152,361</u>	<u>\$1,017,114</u>

CITY OF DEQUINCY, LOUISIANA
Public Safety Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2023
With Comparative Actual Amounts for the Year Ended September 30, 2022

	2023				
	Budget		Actual	Variance with Final Budget	2022
	Original	Final		Positive (Negative)	Actual
Revenues:					
Taxes	\$ 280,000	\$ 280,000	\$ 353,698	\$ 73,698	\$ 374,941
Fines and forfeits	250,000	250,000	300,761	50,761	301,952
Charges for service	2,000	202,000	293,863	91,863	11,633
Intergovernmental	121,900	266,900	299,198	32,298	314,880
Miscellaneous	100	100	129	29	10,038
Total revenues	<u>654,000</u>	<u>999,000</u>	<u>1,247,649</u>	<u>248,649</u>	<u>1,013,444</u>
Expenditures:					
Public safety -					
Police -					
Personnel services	810,000	1,120,000	1,120,085	(85)	962,371
Operations	299,800	280,000	278,145	1,855	241,059
Repairs and maintenance	17,000	45,000	39,174	5,826	52,638
Feeding prisoners	53,000	55,000	54,651	349	52,502
Miscellaneous	50,000	60,800	51,805	8,995	62,484
Total police	<u>1,229,800</u>	<u>1,560,800</u>	<u>1,543,860</u>	<u>16,940</u>	<u>1,371,054</u>
Fire -					
Personnel services	37,600	47,000	47,568	(568)	44,615
Operations	58,420	101,300	102,431	(1,131)	61,625
Repairs and maintenance	24,000	32,120	32,270	(150)	16,757
Miscellaneous	-	500	696	(196)	10,244
Total fire	<u>120,020</u>	<u>180,920</u>	<u>182,965</u>	<u>(2,045)</u>	<u>133,241</u>
Total public safety	<u>1,349,820</u>	<u>1,741,720</u>	<u>1,726,825</u>	<u>14,895</u>	<u>1,504,295</u>
Debt service	-	-	-	-	26,818
Capital outlay	120,000	125,000	121,920	3,080	638,271
Total expenditures	<u>1,469,820</u>	<u>1,866,720</u>	<u>1,848,745</u>	<u>17,975</u>	<u>2,169,384</u>
Excess (deficiency) of revenues over expenditures	<u>(815,820)</u>	<u>(867,720)</u>	<u>(601,096)</u>	<u>266,624</u>	<u>(1,155,940)</u>
Other financing sources (uses):					
Gain (loss) on sale of assets	-	-	-	-	1,800
Transfer in	815,820	867,720	867,260	460	1,268,342
Total other financing sources	<u>815,820</u>	<u>867,720</u>	<u>867,260</u>	<u>460</u>	<u>1,270,142</u>
Net change in fund balance	-	-	266,164	266,164	114,202
Fund balance, beginning	411,308	411,308	411,308	-	297,106
Fund balance, ending	<u>\$ 411,308</u>	<u>\$ 411,308</u>	<u>\$ 677,472</u>	<u>\$ 266,164</u>	<u>\$ 411,308</u>

CITY OF DEQUINCY, LOUISIANA
Streets Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2023

With Comparative Actual Amounts for the Year Ended September 30, 2022

	2023				
	Budget		Actual	Variance with	2022 Actual
	Original	Final		Final Budget Positive (Negative)	
Revenues:					
Taxes	\$ 560,000	\$ 560,000	\$ 714,286	\$ 154,286	\$ 746,651
Grants	70,000	70,000	330,933	260,933	174,670
Interest earned	1,500	1,500	4,745	3,245	1,646
Miscellaneous	1,000	1,000	80,440	79,440	8,040
Total revenues	<u>632,500</u>	<u>632,500</u>	<u>1,130,404</u>	<u>497,904</u>	<u>931,007</u>
Expenditures:					
Highways and streets:					
Personnel services	235,000	235,000	228,993	6,007	230,842
Repairs and maintenance	170,000	170,000	171,311	(1,311)	268,354
Office supplies	115,000	115,000	118,928	(3,928)	114,928
Insurance	76,300	76,300	62,550	13,750	78,123
Miscellaneous	15,000	15,000	5,657	9,343	5,727
Inmates	25,000	25,000	11,933	13,067	8,865
Professional fees	20,000	14,750	8,305	6,445	18,976
Total highways and streets	<u>656,300</u>	<u>651,050</u>	<u>607,677</u>	<u>43,373</u>	<u>725,815</u>
Capital outlay	<u>339,750</u>	<u>450,000</u>	<u>416,569</u>	<u>33,431</u>	<u>237,079</u>
Total expenditures	<u>996,050</u>	<u>1,101,050</u>	<u>1,024,246</u>	<u>76,804</u>	<u>962,894</u>
Excess (deficiency) of revenues over expenditures	<u>(363,550)</u>	<u>(468,550)</u>	<u>106,158</u>	<u>574,708</u>	<u>(31,887)</u>
Other financing sources (uses):					
Gain (loss) on sale of assets	-	-	-	-	14,755
Transfer in	500	500	244	(256)	34,121
Transfers out	<u>(5,000)</u>	<u>(10,000)</u>	<u>(9,357)</u>	<u>643</u>	<u>(26,565)</u>
Total other financing uses	<u>(4,500)</u>	<u>(9,500)</u>	<u>(9,113)</u>	<u>387</u>	<u>22,311</u>
Net change in fund balance	<u>(368,050)</u>	<u>(478,050)</u>	<u>97,045</u>	<u>575,095</u>	<u>(9,576)</u>
Fund balance, beginning	<u>1,139,173</u>	<u>1,139,173</u>	<u>1,139,173</u>	<u>-</u>	<u>1,148,749</u>
Fund balance, ending	<u>\$ 771,123</u>	<u>\$ 661,123</u>	<u>\$ 1,236,218</u>	<u>\$ 575,095</u>	<u>\$ 1,139,173</u>

CITY OF DEQUINCY, LOUISIANA
Debt Service Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2023
With Comparative Actual Amounts for the Year Ended September 30, 2022

	2023			Variance with Final Budget Positive (Negative)	2022 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Interest earned	\$ 10	\$ 10	\$ 72	\$ (62)	\$ -
Total revenue	<u>10</u>	<u>10</u>	<u>72</u>	<u>(62)</u>	<u>-</u>
Expenses:					
Principal	20,350	20,660	24,097	(3,437)	-
Interest	17,950	17,590	14,158	3,432	-
Miscellaneous	-	-	218	(218)	-
Total expense	<u>38,300</u>	<u>38,250</u>	<u>38,473</u>	<u>(223)</u>	<u>-</u>
Other financing sources:					
Transfer in	<u>42,000</u>	<u>42,000</u>	<u>127,398</u>	<u>85,398</u>	<u>-</u>
Total other financing sources	<u>42,000</u>	<u>42,000</u>	<u>127,398</u>	<u>85,398</u>	<u>-</u>
Net change in fund balance	3,710	3,760	88,997	161	-
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ 87,710</u>	<u>\$ 87,760</u>	<u>\$ 88,997</u>	<u>\$ 161</u>	<u>\$ -</u>

CITY OF DEQUINCY, LOUISIANA
Enterprise Fund
Sewer Utility Fund

Schedule of Number of Sewer Utility Customers
(Unaudited)
September 30, 2023

Following are the sewer rates by customer type:

	Rate per Month	Number of Customers
RESIDENTIAL:		
Inside city limits	\$22.88	1,102
Outside city limits	\$27.04	66
 COMMERCIAL		
Small businesses -no public restroom	\$31.20	85
Convenience stores and banks	\$47.84	11
Small rv park	\$56.16	2
Funeral home, bar, and washateria	\$68.64	6
Restaurants	\$89.44	8
Grocery stores	\$131.04	1
Small motel	\$110.24	1
Medium hotel	\$339.04	1
Elderly housing complex	\$255.85	2
Nursing home and hospital	\$422.24	2
Schools	\$422.24 - \$636.48	4
Small apartment complex	\$205.92 - \$255.84	3
Large mobile home park	\$86.56	1
Large apartment complex	\$804.96	1

**INTERNAL CONTROL,
COMPLIANCE, AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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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*

The Honorable Riley Smith, Mayor
and members of the City Council
City of Dequincy, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dequincy, Louisiana (City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 30, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2023-001.

City of Dequincy, Louisiana's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned cost. The City'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. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 30, 2024

CITY OF DEQUINCY, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended September 30, 2023

Part I. Current Year Findings and Management's Corrective Action Plan

A. Internal Control Over Financial Reporting

There were no findings with regards to internal controls.

B. Compliance Findings

2023-001 Late Filing of Audit Report With the Louisiana Legislature Auditor

Condition: The City did not submit the audited financial statements to the Louisiana Legislative Auditor by the due date.

Criteria: L.R.S. 24:513 provides that the financial statements are to be filed with the Legislative Auditor within six months of the close of the fiscal year.

Cause: Due to the late report submission of the predecessor auditors, the financial reports for the fiscal year under audit for the year ended September 30, 2023 could not be performed in a timely manner.

Effect: According to the Legislative Auditor of the State of Louisiana, failure to comply with the six-month statutory submission of the financial reports is a reportable instance of noncompliance with state law.

Recommendation: We recommend the City establish appropriate controls for ensuring the required reports will be submitted in a timely manner in the future.

Management's Corrective Action Plan: Management is aware of the annual filing requirement of the Louisiana Legislative Auditor. The City recognizes that the audit must be completed and submitted to the Louisiana Legislative Auditor within 6 months of the year end. The City will implement procedures to ensure the federal data collection form is filed in a timely manner.

Part II: Prior Year Findings

A. Internal Control Over Financial Reporting

There were no findings with regards to internal controls.

B. Compliance Findings

2022-001 Late Filing of Audit Report With the Louisiana Legislature Auditor

Condition: The City did not submit the audited financial statements to the Louisiana Legislative Auditor by the due date.

Recommendation: We recommend the City establish appropriate controls for ensuring the required reports will be submitted in a timely manner in the future.

Current Status: Unresolved

CITY OF DEQUINCY

DeQuincy, Louisiana

Agreed-Upon Procedures Report

Year Ended September 30, 2023

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Riley Smith, Mayor,
and Members of the City Council
City of Dequincy, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2022 through September 30, 2023. The City of DeQuincy (City) is responsible for those C/C areas identified in the SAUPs.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period October 1, 2022 through September 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the City's written policies and procedures and observed that they address each of the following categories and subcategories if applicable to public funds and the City's operations:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) **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).
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **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.

Board or Finance Committee

2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) Observed that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
 - c) Obtained the prior year audit report and observed 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, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the General Fund.
 - d) Observed 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.

Bank Reconciliations

3. We obtained a listing of the entity's bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the entity's main operating account. We selected the entity's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for selected accounts, and observed that:
 - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections (excluding electronic fund transfers)

4. We obtained 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. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed the bond or insurance policy for theft was enforced during the fiscal period.

7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* We obtained supporting documentation for each of the 10 deposits and:
 - a) Observed that receipts are sequentially pre-numbered.
 - b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Traced the deposit slip total to the actual deposit per the bank statement.
 - d) Observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Traced the actual deposit per the bank statement to the general ledger.

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

8. We obtained a listing of locations that process payments for the fiscal period and management’s representation that the listing was complete. We randomly selected 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and we observed that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e) Only employees/ officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
10. For each location selected under #8 above, we obtained the entity’s non-payroll disbursement transaction population (excluding cards and travel reimbursements) and we obtained management’s representation that the population is complete. We randomly selected 5 disbursements for each location, we obtained supporting documentation for each transaction and:
 - a) We observed whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) We observed that the disbursement documentation includes evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #9, as applicable.

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

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

12. We obtained 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. We obtained management's representation that the listing is complete.
13. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, we randomly selected one monthly bank statement), we obtained supporting documentation, and:
 - a) We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) We observed that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, we observed 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, we described the nature of the transaction and noted whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

15. We obtained 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. We randomly selected 5 reimbursements, we obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, we observed the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) We observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1g).
 - d) We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

16. We obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* We obtained management's representation that the listing is complete. We randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) We observed that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), we observed 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, was approval documented).
 - d) We randomly selected one payment from the fiscal period for each of the 5 contracts, we obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

17. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees/officials, we obtained related paid salaries and personnel files, and we agreed paid salaries to authorized salaries/pay rates in the personnel files.
18. We randomly selected one pay period during the fiscal period. For the 5 employees/officials selected under #17 above, we obtained attendance records and leave documentation for the pay period, and:
- a) We observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) We observed that supervisors approved the attendance and leave of the selected employees/officials.
 - c) We observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) We observed the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
19. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. We randomly selected two employees/officials, we obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. We agreed the hours to the employee or officials cumulative leave records, agreed the pay rates to the employee/officials' authorized pay rates in the employee or officials' personnel files, and agreed the termination payment to entity policy.
20. We obtained 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.

Ethics

21. Using the 5 randomly selected employees/officials from procedure #17 under “Payroll and Personnel” above, we obtained ethics documentation from management, and:
 - a) We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - b) We observed whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity’s ethics policy during the fiscal period, as applicable.
22. We inquired and/or observed whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Debt Service

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management’s representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
24. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Fraud Notice

25. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing was complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the City reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

The City represented there were no misappropriations of public funds nor assets FYE 2023.

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

Information Technology Disaster Recovery/Business Continuity

27. We performed the following procedures, **verbally discussed the results with management, and reported “We performed the procedure and discussed the results with management.”**
 - a) We obtained and inspected the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observed evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
 - b) We obtained and inspected the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.

- c) We obtained a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. We randomly selected 5 computers and observed while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

28. We randomly selected 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19 and observed evidence that the selected terminated employees have been removed or disabled from the network.

Prevention of Sexual Harassment

29. Using the 5 randomly selected employees/officials from procedure #17 under “Payroll and Personnel” above, we obtained sexual harassment training documentation from management, and observed the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

30. We observed the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

31. We obtained the entity’s annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Exceptions:

No exceptions were found as a result of applying the procedures listed above except:

Written Policies and Procedures

- 1. The City has insufficient written policies for the following: (a) Budgeting - monitoring the budget, (b) Purchasing - controls to ensure compliance with public bid law, (c) Receipts - preparing deposits, (d) Information Technology Disaster Recovery/ Business Continuity - identification of critical data and frequency of data backups, storage of backups in a separate physical located isolated from the network, periodic testing/ verification that backups can be restored, identification of personnel, processes, and tools needed to recover operations after a critical event.

Non-Payroll Disbursements

- 2. Two disbursements did not indicate deliverables included on the invoice were received by the entity, and one disbursement did not have evidence of segregation of duties.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards

3. One credit card statement was reviewed and approved by the authorized card holder.

Payroll and Personnel

4. One employee's termination payment did not agree to the City's policies and procedures.

Management's Response:

Management concurs with the exceptions noted and is working to address the deficiencies identified.

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

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

This report is intended solely to describe the scope of testing 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.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 30, 2024