FINANCIAL REPORT
YEAR ENDED JUNE 30, 2025

Prepared by:
City of Baker Finance Department
Audited by:
Kolder, Slaven & Co., LLC, CPAs

CITY OF BAKER, LOUISANA
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS

TABLE OF CONTENTS

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL

April 30, 2026

To the Honorable Darnell Waites, Mayor
Members of the City Council
Citizens of the City of Baker, Louisiana

The Annual Financial Report, hereinafter referred to as the AFR, for the City of Baker, LA for the fiscal year ended June 30, 2025, is submitted herein in accordance with La R.S. 24:518 requiring publication of a complete set of audited financial statements.

The responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including disclosures, is that of management. Management assumes this responsibility based upon a comprehensive framework of internal control that it has established for this purpose. The concept of reasonable assurance recognizes that the cost of a control should not exceed its anticipated benefit thus supporting the objective to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The data presented in this financial report is believed to be accurate in all material respects; its presentation has been designed to fairly state the financial position and results of operations as measured by the financial activity of its various funds; and that all disclosures necessary to enable readers to gain a comprehensive understanding of the City's financial activity have been included.

Kolder, Slaven & Co, LLC, CPAs have issued an unmodified opinion on the City of Baker, LA's financial statements for the year ended June 30, 2025. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follow the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The Reporting Entity and Form of Government

The City of Baker, LA (hereafter referred to as the City), one of five incorporated municipalities of East Baton Rouge Parish, is situated in the northwest part of the parish. It is approximately 8.4 square miles in size with a population of approximately 13,000. Within the boundaries there are approximately 70 miles of roads maintained by the city. This report includes all funds that are controlled by or are dependent on the City.

The City was incorporated as a village in 1946 – W.H. Keyes served as the first mayor – but its name was established in 1888 recognizing the rural settlement that surrounded the post office and railroad station. Baker was a stop on the Illinois Central Railroad line connecting New Orleans with Memphis, TN.

Originally governed by the provisions of the Lawrason Act, the electorate adopted a Home Rule Charter on May 16, 1970, that would become effective on July 1, 1972. The Charter provided for a mayor-council form of government. There are five council members elected by the citizens residing within their respective districts to serve a four-year term. Legislative authority is vested in the Council. The mayor, also elected for a four-year term, is responsible for the day-to-day operations of all departments of the City. An organizational chart follows that provides an overview of how all branches and departments work together.

The purpose of the municipality is to promote the general welfare and the safety, health, peace, good order, comfort, convenience, and the morale of its inhabitants. To this regard, the City provides a full range of services, including (1) police and fire protection, (2) water, gas and sewer distribution services, (3) refuse collection; (4) building inspections, (5) licenses and permits, (6) construction and maintenance of streets and other infrastructure, (7) economic development, (8) full-service burials and (9) community, recreational and cultural activities. The City is also financially accountable for a legally separate court system and marshal, both of which are included in the following financial report as blended component units.

The City is required to adopt a budget for the fiscal year no later than June 15th to serve as the foundation for financial planning and control. A pay plan, operating and capital budget and a capital program are submitted by the Mayor to the Council for consideration and are adopted on a departmental level. The budget is legally enacted via passage of an ordinance by the City Council during a public hearing. Additional information regarding the budgeting process can be found in the note disclosures.

Economics and the Local Economy

The City is just outside of the City of Baton Rouge that serves as the seat of government within the State of Louisiana. Major industries located within or near the City's boundaries include a major airport, hospitals, construction, and manufacturing/industrial businesses. The City has rail service and its proximity to the Mississippi River and the interstate highway system provides businesses with manageable transportation costs. It is within 60 miles of five major universities and two community colleges. It is close enough to hear the tigers roar at the Greater Baton Rouge Zoo and houses acres of other parks for golf, tennis and other sporting events or just enjoying the green space. Its walking paths include state-of-the-art outdoor exercise equipment – the Energi Total Body Fitness and the

Life Trails Advanced Wellness System. These were developed to deliver a synergistic workout for ages 13 and up as well as provide a tailored program for older adults to perform daily tasks easily and independently. The playground has recently been updated and expanded, including a zip line. These exercise and play options are in the Martin Luther King Memorial Park that is utilized by hundreds daily, young and old alike!

The unemployment rate for its citizens decreased by less than 1%, and both median household and homeowner income remained relatively the same over the past year. Home ownership is afforded to approximately 70% of the population – resulting from emphasis on affordable housing and residential development. The average length of staying in Baker after moving here is significantly higher than the state average. This is a testament to the economic and community-oriented environment established by the City's government that continues to be an impetus for future development. More than 36% of the population is under 18 years of age, indicating a growing sector of younger families. The crime rate continues to be one of the lowest of all municipalities in Louisiana and the safest in East Baton Rouge Parish.

This Past Year

Plans for smart growth drive the city's efforts for economic and community development which includes expansion to allow for the construction of new homes, retail and industrial businesses and green space to complement both. Doing so increases the revenue sources available for the government to continue providing quality services while expanding on those services and adding others that bring quality of place and being. This philosophy has been followed for the past nine years, and the statistics discussed above evidence its success.

Construction of the Baker Youth Park, anticipated to be completed in the summer of 2026, began with a ground-breaking that was well-attended by those with memories of playing there in their youth and those that look forward to utilizing the state-of-the-art baseball field in their future. The playground equipment in MLK Park was expanded with innovative apparatus along with a zip line. The City's Recreation Commission has added youth sports programs as well as wellness activities at the parks and gymnasiums through its partnership with BREC including pickleball, yoga, Pilates and dance. All these evidence management's concentration on the importance of youth development – mind, body and spirit.

Utility distribution systems – gas, sewer, and water – continued to receive maintenance required as with any aging system to ensure its continued use. Major line replacements and extensions will continue into the coming year, allowing the City to focus on the quality of its utility services. The ability to expand services to areas both within and outside of the City's boundaries because of these projects provides an infrastructure that will not be unduly taxed from growth and age.

Another major component of the master plan, and of great interest to many of our residents, involves the flow of water throughout the City to avoid flooding that impacts the safety of persons and property. Federal grant funding to mitigate the hazards associated with flooding are still being utilized to address waterways and emergency preparedness. Major waterways running through the city also impact municipalities around us requiring partnering with these governments to proceed in a manner that provides positive results for all affected. This sometimes slows the process, but flooding remains always on the minds of management. Administration continues to work with parish and state agencies as MovEBR, designed to address flooding throughout the parish, gets underway.

ARPA funds were utilized to replace dated assets and upgrade technology for increased efficiency in communications, fire and police protection and infrastructure. Funding passed through from HUD CARES allowed for the replacement of the HVAC system in the Auditorium. The new system was put into operation this past year and, in response to the COVID-19 pandemic, meets current requirements for indoor air quality.

There are many other accomplishments that were realized this past year, but they cannot all be mentioned here. We hope you take the opportunity to read the annual financial report – it includes other projects that are in various stages of completion that will evidence the City's efforts.

Acknowledgments

The cooperation and diligence of the Finance Department staff – Ashley Batts, Ashley Lathan, Magen Bailey and Judy Davezac – in providing information to support the financial and non-financial data required to complete this report is greatly appreciated. The Council is credited with their support for the highest standards of professionalism in the management of the City. Mayor Waites is commended for his dedication to the success of all city initiatives, utilization of the city's resources in the most effective manner and insistence on integrity and ethical reporting.

Acknowledgement is also given to our auditors – Kolder, Slaven & Co., LLC, CPAs – for their professionalism and diligence in completing the FY2025 financial audit.

Respectfully Submitted,

Mary Sue Stags, CPA

Mary Sue Stages, CPA
Finance Director

CONGRATULATIONS MAYOR WAITES
Elected FY2026 1st Vice President
Louisiana Municipal Association

CITY OF BAKER, LOUISIANA
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2025

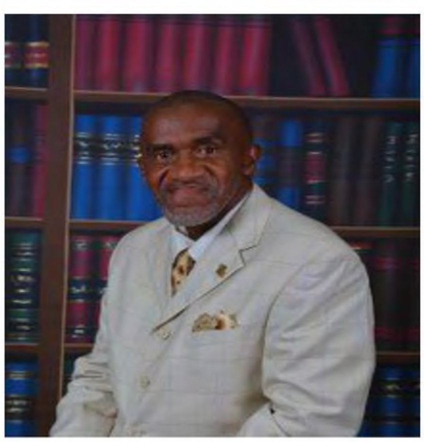
MAYOR AND CITY COUNCIL MEMBERS

Mayor Darnell Waites

District 1
Dr. Charles Vincent

District 2
Rochelle Dunn

District 3
Desiree Collins



District 4
Robert Young

District 5
Cedric Murphy

CITY OF BAKER, LOUISIANA
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2025

OTHER ELECTED AND APPOINTED OFFICIALS
ORGANIZATIONAL CHART

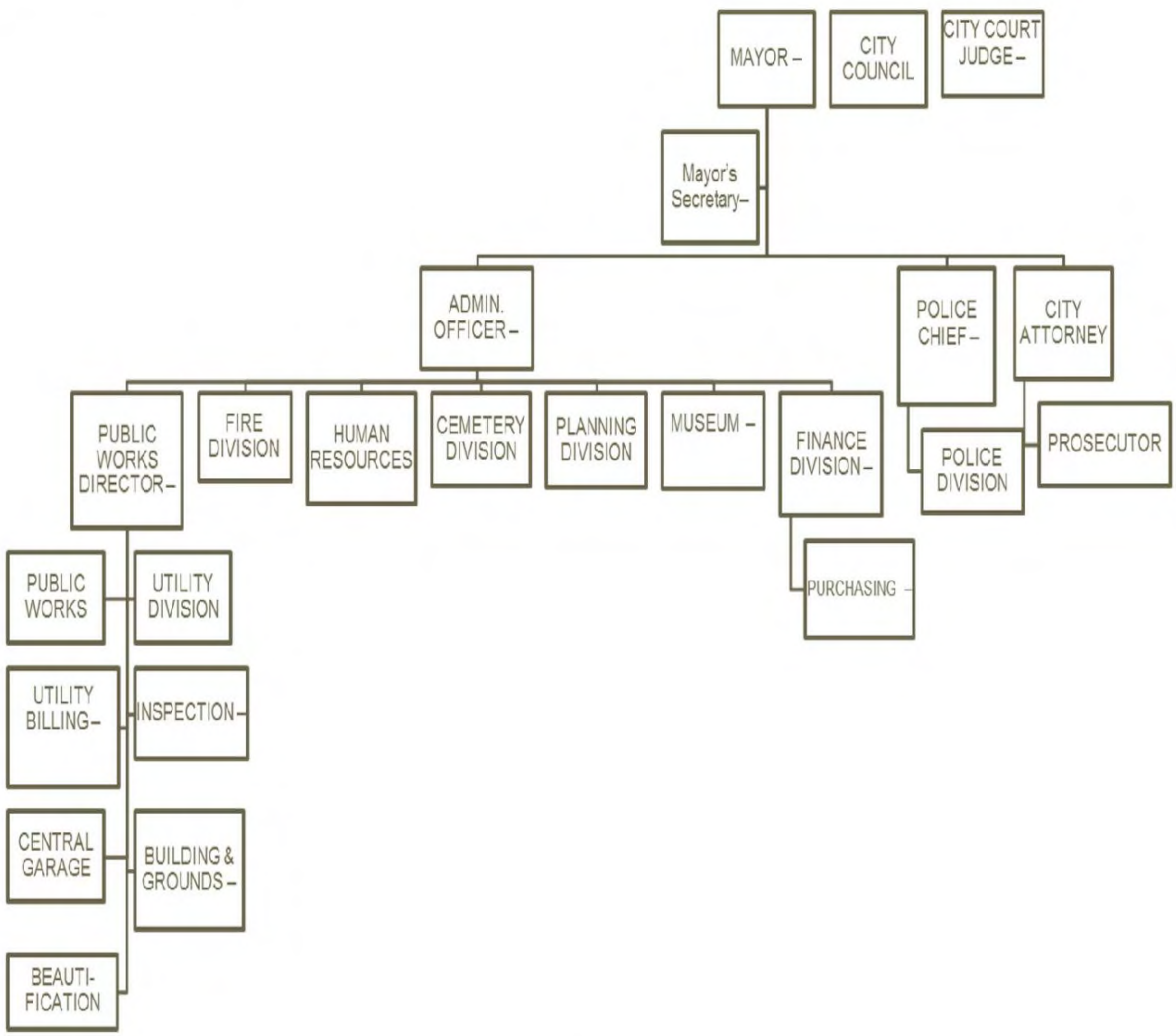
Other Elected Officials

City Court Judge	Kirk Williams
Chief of Police	Carl Dunn

Appointed Officials

City Attorney	Ken Fabre
Chief Administrative Officer	Dr. Angela Machen

Organizational Chart



FINANCIAL SECTION

KOLDER, SLAVEN & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA
Deidre L. Stock, CPA

Of Counsel
C. Burton Kolder, CPA*

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA - retired 2022
Gerald A. Thibodeaux, Jr., CPA* - retired 2024

* A Professional Accounting Corporation

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

450 E. Main St.
New Iberia, LA 70560
Phone (337) 367-9204

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

1201 David Dr.
Morgan City, LA 70380
Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

WWW.KCSRCPAS.COM

INDEPENDENT AUDITOR'S REPORT

To the Honorable Darnell Waites, Mayor,
and the Members of the City Council
Baker, Louisiana

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

Emphasis of Matter

As described in Note 16 to the financial statements, the City restated fund balance and net position. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedules of compensation, Justice System Funding Schedules, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of compensation, Justice System Funding Schedules, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial report. The other information comprises the introductory section and nonmajor governmental funds 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 otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
April 30, 2026

The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting change and currently known facts. Our analysis provides an overview of the City's financial activities for the fiscal year ended June 30, 2025. Readers are encouraged to consider this overview and analysis in conjunction with the basic financial statements and notes that follow.

FINANCIAL HIGHLIGHTS

- Assets and deferred outflows of resources of the City's primary government exceeded its liabilities and deferred inflows of resources at the close of the year by $22.1 million (net position). Of this amount, unrestricted net position is currently in a deficit of $11.9 million which can be attributed to net pension liability and related deferred outflows/inflows of resources ($9 million) and other post-employment benefits obligation and related deferred outflows/inflows ($5.6 million).

- The primary government's total net position increased by $471 thousand.

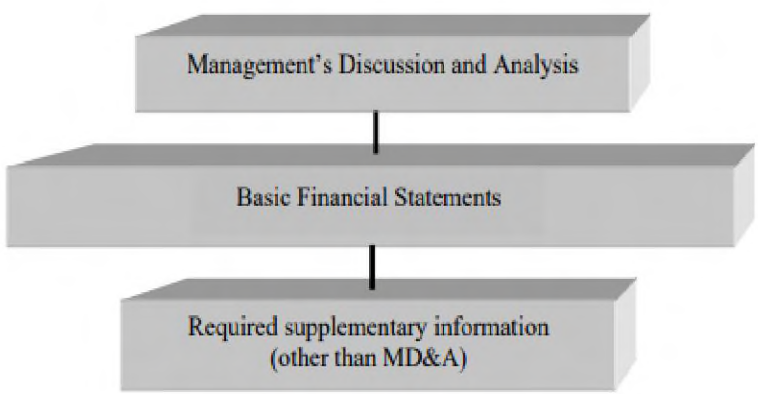
- Governmental activities' net position increased by $1.1 million. Business-type activities' net position decreased by $607 thousand.

- The City utilized $4.03 million of its financial resources on capital additions including, but not all-inclusive, equipment and fleet ($1.93 million) and infrastructure ($2.10 million).

- The City realized nearly $1 million in grants and other contributions used primarily for infrastructure such as utility water and gas distribution systems, fleet and technological upgrades.

OVERVIE OF THE FINANCIAL STATEMENTS

Under Government Accounting Standards Board Statement No. 34, a government presentation of financial statements focuses on both the government as a whole and on major individual funds. Both perspectives allow the reader to address relevant questions, broaden a basis for comparison from year to year and should enhance the City's accountability. Three sections make up the minimum requirements established by this authoritative board.



Our auditors have provided assurance in their independent auditors' report, located immediately preceding this MD&A, that the financial statements are fairly stated. Varying degrees of assurance are being provided by the auditors regarding the required supplementary information and the other supplementary information. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided for each part of this report.

The Basic Financial Statements include government-wide and fund financial statements. Government-wide financial statements consist of the Statement of Net Position and the Statement of Activities (on pages 20 – 22) and provide information about the activities of the City as a whole and present a longer-term view of the City's finances.

Fund financial statements start on page 23. For governmental activities, these statements depict how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements consolidate the governmental funds (governmental activities) and proprietary funds (business-type activities) into a total for the primary government. They use the accrual basis of accounting, which is like accounting methods used by most private-sector companies. Revenues and expenses are reported regardless of when cash is received or paid. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods The two kinds of activities reported in the government-wide statements are described below followed by an analysis of net position and changes thereto.

Governmental activities - Most of the City's basic services are reported here, including public safety, streets and sanitation, culture and recreation, economic development, and general administration. Sales, franchise and property taxes, charges for services including sanitation finance most of these activities.

Business-type activities - The City charges a fee to customers to help it cover the cost of certain services it provides. In addition to a cemetery, the City operates gas, water and sewer distribution systems which are reported herein.

Condensed Statement of Net Position
June 30, 2025 and 2024
(In thousands)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 9,410	$ 15,789	$ 3,167	$ 5,255	$ 12,577	$ 21,044
Capital assets	18,401	19,338	16,595	15,170	34,996	34,508
Total assets	27,811	35,127	19,762	20,425	47,573	55,552
Deferred outflows of resources	3,402	3,088	205	308	3,607	3,396
Current and other liabilities	1,074	12,168	3,566	3,449	4,640	15,617
Long-term liabilities	15,717	10,929	7,656	7,924	23,373	18,853
Total liabilities	16,791	23,097	11,222	11,373	28,013	34,470
Deferred inflows of resources	1,122	1,975	59	207	1,181	2,182
Net Position:						
Net investment in capital assets	18,392	18,273	10,810	9,195	29,202	27,468
Restricted	3,385	8,679	1,332	478	4,717	9,157
Unrestricted	(8,477)	(13,809)	(3,456)	(520)	(11,933)	(14,329)
Total net position	$ 13,300	$ 13,143	$ 8,686	$ 9,153	$ 21,986	$ 22,296

On June 30, 2025, the City's net position was $22.1 million. Restricted net position totaling $4.7 million are reported separately to show legal constraints from debt covenants and enabling legislation that limits the ability to use that net position for day-to-day operations. Another $27.5 million is invested in infrastructure and other capital assets. Unrestricted net position represents that portion of resources that can be used to finance day-to-day operations without constraints established by debt convents, enabling legislation or other legal requirements

Changes in Net Position

Years ended June 30, 2025 and 2024

(In thousands)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Program revenues:						
Charges for services	$ 2,939	$ 2,124	$ 4,608	$ 4,486	$ 7,547	$ 6,610
Operating grants	35	26	35	-	70	26
Capital grants	471	1,520	376	-	847	1,520
General revenues:						
Ad valorem taxes	493	471	-	-	493	471
Sales taxes	9,471	9,001	-	-	9,471	9,001
Franchise taxes	771	726	-	-	771	726
Other taxes	2,367	278	-	-	2,367	278
Other general revenues transfers	530	5,696	(1,280)	(3,760)	(750)	1,936
Total revenues	17,077	19,842	3,739	726	20,816	20,568
Functions/program:						
General government	2,823	2,710	-	-	2,823	2,710
Public safety	7,692	8,557	-	-	7,692	8,557
Public works	4,670	3,547	-	-	4,670	3,547
Economic/recreational	814	646	-	-	814	646
Utilities	-	-	3,921	3,723	3,921	3,723
Cemetery	-	-	364	315	364	315
Sewer revenue	-	-	61	53	61	53
Total expenses	15,999	15,460	4,346	4,091	20,345	19,551
Change in Net Position	$ 1,078	$ 4,382	$ (607)	$ (3,365)	$ 471	$ 1,017

Governmental activities realized an increase in revenues over expenditures of $1.08 million, which was a lesser increase than the prior year, due in part because of decreased transfers from other funds and decreased grants.

Business-type activities realized a decrease of $607 thousand which was an increase over the prior year's negative change by $2.76 million in net position This was a result of transfers to the general fund needed by that fund to provide the ability for capital outlay and technological upgrades. These are expected to be reimbursed in the subsequent year.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statement presentation more familiar. The focus is on major funds, rather than generic fund types. An analysis of the City's major funds begins on page 22 with the fund financial statements that provide detailed information about the most significant funds and not the City as a whole.

The General Fund is always considered a major fund. Special revenue funds are required to be established by state law or by bond covenants. Of the City's special revenue funds, both the Street and City Court Funds are considered major. All non-major governmental funds are presented in one column, titled other non-major governmental funds. Combining financial statements of these funds can be found in the Other Information Section. The general and special revenue funds are referred to as governmental funds.

The other type of funds maintained by the City are referred to as proprietary funds including Utility, Cemetery and Sewer Revenue. Each is presented separately as significant funds.

Governmental funds - Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Most of the City's basic services are reported in these types of funds. The modified accrual basis of accounting is utilized which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent soon to finance the City's programs. The relationship (or differences) between governmental activities reported in the Statement of Net Position and the Statement of Activities and the governmental funds can be seen in the reconciliation to the financial statements (pages 23 and 26).

Proprietary funds - When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (Utility, Cemetery and City-Parish Sewer Funds) are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. These statements begin on page 27.

Notes to the basic financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and begin on page 32.

Supplementary and Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning original and final budgetary comparisons to actual results for the City's major governmental funds and schedules required by GASB 68 This information is located directly after the notes on the basic financial statements.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

The government operations of the City are accounted for in the General, Street, Court, and Other Non-Major Governmental Funds. The focus of this fund information, as noted earlier, is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements

The following is a summary of general governmental operations for 2025 by fund type (in thousands):

	General Fund	Street Fund	City Court Fund	Other Non-Major Funds	Total
Revenues and other financing sources	$ 14,744	$ 2,290	$ 172	$ 1,855	$ 19,061
Expenditures and other financing uses	(16,594)	(547)	(171)	(2,477)	(19,789)
Net Change	(1,850)	1,743	1	(622)	(728)
Fund Balances, beginning, restated	(1,131)	7,777	1,407	926	8,979
Fund Balances, ending	$ (2,981)	$ 9,520	$ 1,408	$ 304	$ 8,251

Governmental funds reported a combined fund balance of $8.25 million on June 30, 2025. This represents a decrease over the prior year of $728 thousand The most significant portion of fund balances is restricted for street construction, maintenance and beautification totaling $9.79 million. Another $478 thousand has been committed by Judge Williams for facilities.

The General Fund is the chief operating fund of the City. At the end of the fiscal year, fund balances had decreased by $1.85 million representing primarily a reallocation of liquid assets between governmental and proprietary funds for use in expanding programs and infrastructure. The use of grant proceeds and federal/state appropriations is expected to replace these funds.

The Street Fund, for which revenues are restricted by law to be utilized for street maintenance, construction, and beautification, experienced an increase in fund balances of $1.74 million leaving a fund balance of $9.52 million at year-end. The 2025 Rehabilitation Program began just prior to year-end anticipating expenditures of $1.25 million in street construction and overlay

The City Court Fund reports on the operations of the court system managed by the judge. Its revenues came in slightly above that which was expended during the year resulting in a slight increase in fund balances to $1.41 million.

All other governmental funds realized revenues of $1.86 million and expenditures/transfers of $2.46 million. Non-major funds include ½ Cent Special Tax – Fire & Police, 911 Communications and Marshal/Police Operations. Information regarding each of these funds can be found in the combining statements later in this report.

Sources of governmental revenues, excluding transfers, are summarized below (in thousands).

	2025		2024	
	Revenue	Percent	Revenue	Percent
Source of Revenue:				
Taxes	$ 11,040	58%	$ 10,476	66%
Intergovernmental	68	0%	64	0%
Charges for services	2,424	13%	1,633	10%
Licenses and permits	492	3%	539	3%
Fines	446	2%	426	3%
Other	4,591	24%	2,905	18%
Total	$ 19,061	100%	$ 16,043	100%

Revenues of general governmental fund types decreased by $302 thousand over the prior year or 1.88%. This is due in part to the last of the funding provided by the CARES Act through its American Rescue Plan in the prior year. The City's activities, in the absence of grant funding, are largely supported by tax revenues of which sales, franchise and property are the most significant. Residential and commercial developments over the past few years have increased revenues through retail activity. Expansion of and upgrades to utility services for both water and gas will continue to improve services and provide additional revenues in the coming years.

Use of governmental revenues by major function are summarized below (in thousands):

	2025		2024	
	Expenditure	Percent	Expenditure	Percent
General government	$ 2,824	14%	$ 2,608	15%
Public safety	9,930	50%	8,522	50%
Public works	4,322	22%	3,165	18%
Economic/recreation	766	4%	628	4%
Debt service – capital leases	1,097	6%	273	1%
Capital outlay	850	4%	2,048	12%
Total	$ 19,789	100%	$ 17,244	100%

Expenditures of the primary government were relatively the same, increasing by $2.5 million. Public safety continues to be the most significant cost center. It is this commitment that brings the title of 'safest city' to Baker. Expenditures occurring in the prior year came from ARPA funding which allowed for many projects to be initiated and needed replacements of equipment to come to fruition. State of the art technological mediums to allow public participation in meetings and events without a physical presence were designed and completed in the prior year following the pandemic. The current year saw the same level of advances in technology but to allow more productive meetings and greater participation.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the current year, the City's governmental funds' budgeted amounts were not amended but there were movements within the budget units of budgeted expenditures to reallocate resources to areas of greater need to avoid the use of prior year fund balances to cover the costs of current year operations. The capital plan and associated budget is created as a priority listing of projects that are not implemented if the anticipated revenues are not realized.

The General Fund, excepting transfers between funds, realized $3.12 million less in revenues and expenditures were under budgeted amounts of $244 thousand. The most significant revenue shortfall was grant proceeds and contributions of $2.68 million. When revenues fall short, certain capital projects are pushed back in the capital program schedule. Public works took a positive turn in that expenditures were $144 thousand less than anticipated despite the emphasis on youth activities and green space that enhances quality of being and place.

The Street Fund realized less than budgeted revenues, but expenditures were under budget such that the year ended with a positive variance of $395 thousand.

The City Court Fund reported $8 thousand more than budgeted revenues and $15 thousand less in expenditures. Changes to budgeted amounts are at the judge's discretion.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

The City had $34.9 million invested in a broad range of capital assets, including vehicles, fire equipment, technological equipment, office furniture, land, buildings, park facilities, infrastructure such as roads and waterways, roads and sewer, water, and gas distribution systems. This amount represents an increase of $1.8 million in overall capital investment balances for the prior year. The most significant addition was exercise of the purchase option on three pumpers and one ladder truck requiring a final payment of $1.1 million.

The following is a summary of governmental and business-type capital assets for the past two years (in thousands).

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 1,389	$ 1,334	$ 376	$ 376	$ 1,765	$ 1,710
Buildings/improvements	4,091	4,411	54	63	4,145	4,474
Equipment and vehicles	4,149	4,342	322	317	4,471	4,659
Utility systems	-	-	15,843	14,414	15,843	14,414
Infrastructure	8,772	9,250	-	-	8,772	9,250
Total assets net of depreciation	$ 18,401	$ 19,337	$ 16,595	$15,170	$ 34,996	$ 34,507

DEBT ADMINISTRATION

At year-end, the City had $23.37 million in bonds and other long-term obligations versus $24.65 million last year, a decrease of $.98 million, as shown below (in thousands).

	Governmental Activities			
	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Net post-employment benefits	$ 4,229	$ 224	$ -	$ 4,453
Compensated absences	634	-	123	511
Net pension liability	10,815	-	203	10,612
Capital and other leases	1,350	-	1,284	66
Claims and judgements	75	-	-	75
Total	$ 17,103	$ 224	$ 1,610	$ 15,717

	Business-Type Activities			
	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Net post-employment benefits	$ 1,034	$ 27	$ -	$ 1,061
Compensated absences	41	5	-	46
Net pension liability	1,064	-	105	959
Bonds payable	5,785	-	195	5,590
Total	$ 7,924	$ 32	$ 300	$ 7,656

The City remained current on all bonds and notes outstanding during the year ended June 30, 2025.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The City's elected and appointed officials continue to place emphasis on economic development to bring both business and homes as these increase its sales, property and franchise tax base, the largest sources of income that supports general government operations. New subdivisions completed and in progress have provided affordable housing, which is another area of emphasis along with green space and recreational facilities.

A safe environment that allows families to enjoy activities has been the impetus for bike and walking paths, park and ride facilities.

Next year's budgets include continued emphasis on public safety to ensure a safe environment as well as retaining infrastructure to improve the landscape for building and quality of space.

In addition to building a strong and consistent sales tax base through commercial and industrial expansion, the City's vision includes residential development through affordable housing, annexation and community-building events and facilities.

Revenues and other financial sources for the general fund are budgeted at nearly $17 million, with operating expenditure anticipated to be less at $16 million. The capital budget is expected to include approximately $10.7 million including the capital program consisting of projects to be completed over the next four years. These amounts assume that all projects included in the City's strategic plan will come to fruition, but new endeavors will not be implemented without careful consideration of the City's financial health and stability at the time of anticipated implementation.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show accountability for the money it receives. If you have questions about this report, need additional financial information or wish to discuss the report, contact Mary Sue Stages, CPA with the City's Finance Department at (225) 778-1751, 3325 Groom Road, Baker Louisiana, 70714, mstages@cityofbakerla.com. Additional information about the city, including current and prior years' budgets and audited financials, can be found on the City's website – www.cityofbakerla.com.

On June 30, 2025, the City's net position was $22.1 million. Restricted net position totaling $4.7 million are reported separately to show legal constraints from debt covenants and enabling legislation that limits the ability to use that net position for day-to-day operations. Another $27.5 million is invested in infrastructure and other capital assets. Unrestricted net position represents that portion of resources that can be used to finance day-to-day operations without constraints established by debt convents, enabling legislation or other legal requirements

Changes in Net Position

Years ended June 30, 2025 and 2024

(In thousands)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Program revenues:						
Charges for services	$ 2,939	$ 2,124	$ 4,608	$ 4,486	$ 7,547	$ 6,610
Operating grants	35	26	35	-	70	26
Capital grants	471	1,520	376	-	847	1,520
General revenues:						
Ad valorem taxes	493	471	-	-	496	471
Sales taxes	9,471	9,001	-	-	9,471	9,001
Franchise taxes	771	726	-	-	771	726
Other taxes	2,367	278	-	-	2,367	278
Other general revenues transfers	530	5,696	(1,280)	(3,760)	(891)	1,936
Total revenues	17,077	19,842	3,739	726	20,675	20,568
Functions/program:						
General government	2,823	2,710	-	-	2,823	2,710
Public safety	7,692	8,557	-	-	7,692	8,557
Public works	4,670	3,547	-	-	4,670	3,547
Economic/recreational	814	646	-	-	814	646
Utilities	-	-	3,921	3,723	3,780	3,723
Cemetery	-	-	364	315	364	315
Sewer revenue	-	-	61	53	61	53
Total expenses	15,999	15,460	4,346	4,091	20,204	19,551
Change in Net Position	$ 1,078	$ 4,382	$ (607)	$ (3,365)	$ 471	$ 1,017

Governmental activities realized an increase in revenues over expenditures of $1.08 million, which was a lesser increase than the prior year, due in part because of decreased transfers from other funds and decreased grants.

Business-type activities realized a decrease of $607 thousand which was an increase over the prior year's negative change by $2.76 million in net position This was a result of transfers to the general fund needed by that fund to provide the ability for capital outlay and technological upgrades. These are expected to be reimbursed in the subsequent year.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statement presentation more familiar. The focus is on major funds, rather than generic fund types. An analysis of the City's major funds begins on page 23 with the fund financial statements that provide detailed information about the most significant funds and not the City as a whole.

The General Fund is always considered a major fund. Special revenue funds are required to be established by state law or by bond covenants. Of the City's special revenue funds, both the Street and City Court Funds are considered major. All non-major governmental funds are presented in one column, titled other non-major governmental funds. Combining financial statements of these funds can be found in the Other Information Section. The general and special revenue funds are referred to as governmental funds.

The other type of funds maintained by the City are referred to as proprietary funds including Utility, Cemetery and Sewer Revenue. Each is presented separately as significant funds.

Governmental funds - Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Most of the City's basic services are reported in these types of funds. The modified accrual basis of accounting is utilized which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent soon to finance the City's programs. The relationship (or differences) between governmental activities reported in the Statement of Net Position and the Statement of Activities and the governmental funds can be seen in the reconciliation to the financial statements (pages 24 and 27).

Proprietary funds - When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (Utility, Cemetery and City-Parish Sewer Funds) are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. These statements begin on page 28.

Notes to the basic financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and begin on page 33.

Supplementary and Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning original and final budgetary comparisons to actual results for the City's major governmental funds and schedules required by GASB 68 This information is located directly after the notes on the basic financial statements.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

The government operations of the City are accounted for in the General, Street, Court, and Other Non-Major Governmental Funds. The focus of this fund information, as noted earlier, is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements

The following is a summary of general governmental operations for 2025 by fund type (in thousands):

	General Fund	Street Fund	City Court Fund	Other Non-Major Funds	Total
Revenues and other financing sources	$ 14,744	$ 2,290	$ 172	$ 1,855	$ 19,061
Expenditures and other financing uses	(16,594)	(547)	(171)	(2,477)	(19,789)
Net Change	(1,850)	1,743	1	(622)	(728)
Fund Balances, beginning, restated	(1,131)	7,777	1,407	926	8,979
Fund Balances, ending	$ (2,981)	$ 9,520	$ 1,408	$ 304	$ 8,251

Governmental funds reported a combined fund balance of $8.25 million on June 30, 2025. This represents a decrease over the prior year of $728 thousand The most significant portion of fund balances is restricted for street construction, maintenance and beautification totaling $9.79 million. Another $478 thousand has been committed by Judge Williams for facilities.

The General Fund is the chief operating fund of the City. At the end of the fiscal year, fund balances had decreased by $1.85 million representing primarily a reallocation of liquid assets between governmental and proprietary funds for use in expanding programs and infrastructure. The use of grant proceeds and federal/state appropriations is expected to replace these funds.

The Street Fund, for which revenues are restricted by law to be utilized for street maintenance, construction, and beautification, experienced an increase in fund balances of $1.74 million leaving a fund balance of $9.52 million at year-end. The 2025 Rehabilitation Program began just prior to year-end anticipating expenditures of $1.25 million in street construction and overlay

The City Court Fund reports on the operations of the court system managed by the judge. Its revenues came in slightly above that which was expended during the year resulting in a slight increase in fund balances to $1.41 million.

All other governmental funds realized revenues of $1.86 million and expenditures/transfers of $2.46 million. Non-major funds include ½ Cent Special Tax – Fire & Police, 911 Communications and Marshal/Police Operations. Information regarding each of these funds can be found in the combining statements later in this report.

Sources of governmental revenues, excluding transfers, are summarized below (in thousands).

	2025		2024	
	Revenue	Percent	Revenue	Percent
Source of Revenue:				
Taxes	$ 11,040	58%	$ 10,476	66%
Intergovernmental	68	0%	64	0%
Charges for services	2,424	13%	1,633	10%
Licenses and permits	492	3%	539	3%
Fines	446	2%	426	3%
Other	4,591	24%	2,905	18%
Total	$ 19,061	100%	$ 16,043	100%

Revenues of general governmental fund types decreased by $302 thousand over the prior year or 1.88%. This is due in part to the last of the funding provided by the CARES Act through its American Rescue Plan in the prior year. The City's activities, in the absence of grant funding, are largely supported by tax revenues of which sales, franchise and property are the most significant. Residential and commercial developments over the past few years have increased revenues through retail activity. Expansion of and upgrades to utility services for both water and gas will continue to improve services and provide additional revenues in the coming years.

Use of governmental revenues by major function are summarized below (in thousands):

	2025		2024	
	Expenditure	Percent	Expenditure	Percent
General government	$ 2,824	14%	$ 2,608	15%
Public safety	9,930	50%	8,522	50%
Public works	4,322	22%	3,165	18%
Economic/recreation	766	4%	628	4%
Debt service – capital leases	1,097	6%	273	1%
Capital outlay	850	4%	2,048	12%
Total	$ 19,789	100%	$ 17,244	100%

Expenditures of the primary government were relatively the same, increasing by $2.5 million. Public safety continues to be the most significant cost center. It is this commitment that brings the title of 'safest city' to Baker. Expenditures occurring in the prior year came from ARPA funding which allowed for many projects to be initiated and needed replacements of equipment to come to fruition. State of the art technological mediums to allow public participation in meetings and events without a physical presence were designed and completed in the prior year following the pandemic. The current year saw the same level of advances in technology but to allow more productive meetings and greater participation.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the current year, the City's governmental funds' budgeted amounts were not amended but there were movements within the budget units of budgeted expenditures to reallocate resources to areas of greater need to avoid the use of prior year fund balances to cover the costs of current year operations. The capital plan and associated budget is created as a priority listing of projects that are not implemented if the anticipated revenues are not realized.

The General Fund, excepting transfers between funds, realized $3.12 million less in revenues and expenditures were under budgeted amounts of $244 thousand. The most significant revenue shortfall was grant proceeds and contributions of $2.68 million. When revenues fall short, certain capital projects are pushed back in the capital program schedule. Public works took a positive turn in that expenditures were $144 thousand less than anticipated despite the emphasis on youth activities and green space that enhances quality of being and place.

The Street Fund realized less than budgeted revenues, but expenditures were under budget such that the year ended with a positive variance of $395 thousand.

The City Court Fund reported $8 thousand more than budgeted revenues and $15 thousand less in expenditures. Changes to budgeted amounts are at the judge's discretion.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

The City had $34.9 million invested in a broad range of capital assets, including vehicles, fire equipment, technological equipment, office furniture, land, buildings, park facilities, infrastructure such as roads and waterways, roads and sewer, water, and gas distribution systems. This amount represents an increase of $1.8 million in overall capital investment balances for the prior year. The most significant addition was exercise of the purchase option on three pumpers and one ladder truck requiring a final payment of $1.1 million.

The following is a summary of governmental and business-type capital assets for the past two years (in thousands).

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 1,389	$ 1,334	$ 376	$ 376	$ 1,765	$ 1,710
Buildings/improvements	4,091	4,411	54	63	4,145	4,474
Equipment and vehicles	4,149	3,914	322	317	4,471	4,659
Utility systems	-	-	15,843	14,414	15,843	14,414
Infrastructure	8,772	9,258	-	-	8,772	9,250
Total assets net of depreciation	$ 18,401	$ 18,917	$ 16,595	$15,170	$ 34,996	$ 34,507

DEBT ADMINISTRATION

At year-end, the City had $23.37 million in bonds and other long-term obligations versus $24.65 million last year, a decrease of $.98 million, as shown below (in thousands).

	Governmental Activities			
	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Net post-employment benefits	$ 4,229	$ 224	$ -	$ 4,453
Compensated absences	634	-	123	511
Net pension liability	10,815	-	203	10,612
Capital and other leases	1,350	-	1,284	66
Claims and judgements	75	-	-	75
Total	$ 17,103	$ 224	$ 1,610	$ 15,717

	Business-Type Activities			
	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Net post-employment benefits	$ 1,034	$ 27	$ -	$ 1,061
Compensated absences	41	5	-	46
Net pension liability	1,064	-	105	959
Bonds payable	5,785	-	195	5,590
Total	$ 7,924	$ 32	$ 300	$ 7,656

The City remained current on all bonds and notes outstanding during the year ended June 30, 2025.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The City's elected and appointed officials continue to place emphasis on economic development to bring both business and homes as these increase its sales, property and franchise tax base, the largest sources of income that supports general government operations. New subdivisions completed and in progress have provided affordable housing, which is another area of emphasis along with green space and recreational facilities.

A safe environment that allows families to enjoy activities has been the impetus for bike and walking paths, park and ride facilities.

Next year's budgets include continued emphasis on public safety to ensure a safe environment as well as retaining infrastructure to improve the landscape for building and quality of space.

In addition to building a strong and consistent sales tax base through commercial and industrial expansion, the City's vision includes residential development through affordable housing, annexation and community-building events and facilities.

Revenues and other financial sources for the general fund are budgeted at nearly $17 million, with operating expenditure anticipated to be less at $16 million. The capital budget is expected to include approximately $10.7 million including the capital program consisting of projects to be completed over the next four years. These amounts assume that all projects included in the City's strategic plan will come to fruition, but new endeavors will not be implemented without careful consideration of the City's financial health and stability at the time of anticipated implementation.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show accountability for the money it receives. If you have questions about this report, need additional financial information or wish to discuss the report, contact Mary Sue Stages, CPA with the City's Finance Department at (225) 778-1751, 3325 Groom Road, Baker Louisiana, 70714, mstages@cityofbakerla.com. Additional information about the city, including current and prior years' budgets and audited financials, can be found on the City's website – www.cityofbakerla.com.

BASIC FINANCIAL STATEMENTS

Government-Wide

CITY OF BAKER, LOUISIANA
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government		
	Governmental Activities	**Business-Type Activities**	**Total**
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 1,681,436	$ 224,468	$ 1,905,904
Inventory and prepaid expenses	29,245	227,458	256,703
Receivables:			
Accounts, net	978,315	1,170,032	2,148,347
Grants and other contributions	1,738,304	-	1,738,304
Taxes	842,040	-	842,040
Leases	27,792	-	27,792
Due from other govt agencies	-	150,498	150,498
Non-Current Assets:			
Investments	126,265	62,438	188,703
Right to use leased assets, net of amortization	166,538	-	166,538
Restricted Assets:			
Cash and cash equivalents	3,260,279	941,384	4,201,663
Investments	-	390,816	390,816
Receivables - taxes	559,216	-	559,216
Capital Assets:			
Non-depreciable	1,389,097	376,272	1,765,369
Depreciable, net	17,012,233	16,218,489	33,230,722
Total Assets	27,810,760	19,761,854	47,572,614
DEFERRED OUTFLOW OF RESOURCES			
Related to other post-employment benefits	352,949	39,635	392,584
Related to pension liabilities	3,049,418	165,064	3,214,482
Total Deferred Outflows of Resources	3,402,367	204,699	3,607,066
Total Assets and Deferred Outflows of Resources	31,213,127	19,966,553	51,179,680
LIABILITIES			
Current Liabilities:			
Accounts payable	517,150	351,367	868,517
Accrued liabilities	13,815	249,183	262,998

Continued

CITY OF BAKER, LOUISIANA
STATEMENT OF NET POSITION (Continued)
JUNE 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Unearned revenue	$ 89,600	$ 1,236,642	$ 1,326,242
Bonds held for future disposition	24,430	-	24,430
Due to litigants	319,163	-	319,163
Customer utility deposits	-	1,127,519	1,127,519
Right to use leased assets liability, current portion	109,104	-	109,104
Bonds payable, current portion	-	195,000	195,000
Due to other govt agencies	-	406,279	406,279
Non-Current Liabilities:			
Right to use leased assets liability, less current portions	66,202	-	66,202
Bonds payable, less current portions	-	5,590,000	5,590,000
Compensated absences	511,305	45,595	556,900
Other post employment benefits obligation	4,452,791	1,061,113	5,513,904
Claims reserve	75,000	-	75,000
Net pension liabilities	10,612,101	958,899	11,571,000
Total Liabilities	16,790,661	11,221,597	28,012,258
DEFERRED INFLOWS OF RESOURCES			
Related to leases	27,403	-	27,403
Related to other post-employment benefits	456,540	50,727	507,267
Related to pension liabilities	638,445	8,753	647,198
Total Deferred Inflows of Resources	1,122,388	59,480	1,181,868
Total Liabilities and Deferred Inflows of Resources	17,913,049	11,281,077	29,194,126
NET POSITION			
Investment in capital assets, net of related debt	18,392,562	10,809,761	29,202,323
Restricted	3,384,769	1,332,200	4,716,969
Unrestricted	(8,477,253)	(3,456,485)	(11,933,738)
TOTAL NET POSITION	$ 13,300,078	$ 8,685,476	$ 21,985,554

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

CITY OF BAKER, LOUISIANA
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Functions/Programs Primary Government	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenues (Expenses) and Changes in Net Position: Governmental Activities	Net Revenues (Expenses) and Changes in Net Position: Business-Type Activities	Total
Governmental Activities:							
Intergovernmental	$ 68,285	$ 68,285	$ -	$ -	$ -	$ -	$ -
General government	2,754,012	178,232	35,000	460,828	(2,079,952)	-	(2,079,952)
Public safety	7,692,078	937,327	-	10,344	(6,744,407)	-	(6,744,407)
Public works	4,670,226	1,754,731	-	-	(2,915,495)	-	(2,915,495)
Economic/recreational development	814,280	-	-	-	(814,280)	-	(814,280)
Total Governmental Activities	15,998,881	2,938,575	35,000	471,172	(12,554,134)	-	(12,554,134)
Business-Type Activities:							
Enterprise - Utilities	3,920,598	4,274,139	35,000	375,744	-	764,285	764,285
Enterprise - Cemetery	364,172	248,733	-	-	-	(115,439)	(115,439)
Enterprise - City Parish Sewer	61,067	85,181	-	-	-	24,114	24,114
Total Business-Type Activities	4,345,837	4,608,053	35,000	375,744	-	672,960	672,960
Total Primary Government	20,344,718	7,546,628	70,000	846,916	(12,554,134)	672,960	(11,881,174)
	General Revenues and Transfers						
	Taxes - sales				9,470,725	-	9,470,725
	Taxes - other				1,569,643	-	1,569,643
	Licenses and permits				492,455	-	492,455
	Investment income, net				(385,518)	190,233	(195,285)
	Other revenues				1,014,515	-	1,014,515
	Net gain/loss on capital asset disposal				250	-	250
	Transfers, net				1,470,034	(1,470,034)	-
					13,632,104	(1,279,801)	12,352,303
	Change in Net Position				1,077,970	(606,841)	471,129
	Net Position, beginning of year				13,142,721	9,152,870	22,295,591
	Adjustment to prior period(s)				(920,613)	139,447	(781,166)
	Net Position, end of year				$ 13,300,078	$ 8,685,476	$ 21,985,554

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

BASIC FINANCIAL STATEMENTS

Fund

CITY OF BAKER, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Special Revenue Funds: Street Fund	Special Revenue Funds: City Court Fund	Other Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 272,156	$ -	$ 1,381,831	$ 27,449	$ 1,681,436
Inventory and prepaid expenses	29,245	-	-	-	29,245
Receivables:					
Accounts, net	978,315	-	-	-	978,315
Grants and other contributions	1,738,304	-	-	-	1,738,304
Taxes	842,040	-	-	-	842,040
Due from other funds	-	6,412,124	-	-	6,412,124
Investments	-	-	126,265	-	126,265
Restricted Assets:					
Cash and cash equivalents	-	2,768,953	319,163	172,163	3,260,279
Receivables - taxes	-	338,536	-	220,680	559,216
Total Assets	3,860,060	9,519,613	1,827,259	420,292	15,627,224
LIABILITIES					
Accounts payable	327,480	-	74,734	114,936	517,150
Accrued liabilities	12,025		1,163	627	13,815
Due to other funds	6,412,124	-	-	-	6,412,124
Deferred revenues	89,600	-	-	-	89,600
Bonds held for future disposition	-		24,430	-	24,430
Due to litigants	-	-	319,163	-	319,163
Total Liabilities	6,841,229	-	419,490	115,563	7,376,282
FUND BALANCES					
Non-spendable	29,245	-	-	-	29,245
Restricted	-	9,519,613	-	270,507	9,790,120
Committed	-	-	478,407	-	478,407
Assigned	-	-	63,676	34,222	97,898
Unassigned	(3,010,414)	-	865,686	-	(2,144,728)
Total Fund Balances	(2,981,169)	9,519,613	1,407,769	304,729	8,250,942
Total Liabilities and Fund Balances	$ 3,860,060	$ 9,519,613	$ 1,827,259	$ 420,292	$ 15,627,224

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

CITY OF BAKER, LOUISIANA
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2025

Total Fund Balances - Governmental Funds		$ 8,250,942
Amounts reported for governmental activities in the Statement of Net Position are different because of the following:		
Leases extending beyond year-end for governmental assets are not financial resources and, therefore, not reported in governmental funds		
Lease receivable	27,792	
Deferred inflows of resources, related to leases	(27,403)	389
Right to use leased assets used in governmental activities are not financial resources and, therefore, not reported in governmental funds		
Cost of leased assets, net of accumulated amortization	166,538	
Long-term debt issued for lease liabilities, net of principal payments	(175,306)	(8,768)
Capital assets used in governmental activities are not financial resources and, therefore, not reported in governmental funds		
Capital assets, net of accumulated depreciation		18,401,330
Long-term liabilities are not due and payable from current financial resources and are, therefore, not reported in governmental funds		
Deferred outflows related to post employment benefits	352,949	
Deferred outflows related to pension liability	3,049,418	
Compensated absences payable	(511,305)	
Other post employment benefits obligation	(4,452,791)	
Claims reserve	(75,000)	
Net pension liabilities	(10,612,101)	
Deferred inflows related to post employment benefits	(456,540)	
Deferred inflows related to pension liability	(638,445)	(13,343,815)
Net Position of Governmental Activities		$ 13,300,078

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

CITY OF BAKER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

		Special Revenue Funds		Office of Community Development Funds	Other Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Street Fund	City Court Fund			
REVENUES						
Intergovernmental	$ 68,285	$ -	$ -	$ -	$ -	$ 68,285
Taxes:						
Sales	5,752,439	2,284,066	-	-	1,434,220	9,470,725
Franchise	770,713	-	-	-	-	770,713
Property	493,039	-	-	-	-	493,039
Hotel/Motel	76,030	-	-	-	-	76,030
Other	229,861	-	-	-	-	229,861
Charges for services	2,025,482	-	34,960	-	363,784	2,424,226
License and permits	492,455	-	-	-	-	492,455
Fines and forfeitures	271,332	-	132,521	-	41,822	445,675
Grants and other contributions	389,086	-	-	106,742	10,344	506,172
Investment income, net	(400,045)	5,490	4,131	-	4,906	(385,518)
Other revenues	869,356	-	590	-	-	869,946
Total Revenues	11,038,033	2,289,556	172,202	106,742	1,855,076	15,461,609
EXPENDITURES						
Current Function:						
General government	2,703,616	-	-	106,742	14,050	2,824,408
Public safety	7,312,310	-	171,017	-	462,695	7,946,022
Public works	3,783,865	537,782	-	-	-	4,321,647
Economic/recreational	749,382	-	-	-	16,207	765,589
Debt Service:						
Principal	1,097,284	-	-	-	-	1,097,284
Capital outlay	840,098	9,575	-	-	-	849,673
Total Expenditures	16,486,555	547,357	171,017	106,742	492,952	17,804,623
Excess (Deficiency) of Revenues over Expenditures	(5,448,522)	1,742,199	1,185	-	1,362,124	(2,343,014)

Continued

CITY OF BAKER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Funds: Street Fund	Special Revenue Funds: City Court Fund	Office of Community Development Funds	Other Non-Major Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of assets	$ 250	$ -	$ -	$ -	$ -	$ 250
Proceeds from recoveries	144,569	-	-	-	-	144,569
Transfers, net	3,453,959	-	-	-	(1,983,925)	1,470,034
Net Other Financing Sources (Uses)	3,598,778	-	-	-	(1,983,925)	1,614,853
Net Change in Fund Balances	(1,849,744)	1,742,199	1,185	-	(621,801)	(728,161)
FUND BALANCES						
Balances, beginning of year	(631,425)	7,777,414	1,406,584	-	926,530	9,479,103
Adjustments to prior period(s)	(500,000)	-	-	-	-	(500,000)
Balances, end of year	$ (2,981,169)	$ 9,519,613	$ 1,407,769	$ -	$ 304,729	$ 8,250,942

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

CITY OF BAKER, LOUISIANA
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Net Change in Fund Balances - Total Governmental Funds		$ (728,161)
Amounts reported for governmental activities in the Statement of Activities are different because of the following:		
Certain leased assets are not recognized at the fund level because they do not represent a current financial resource. Revenues at the government-wide level are realized when these assets become measurable, while revenues are realized at the fund level when cash is received. The amounts below include the net change in leased assets and related inflows.		
Lease receivable	(13,315)	
Deferred inflows of resources, related to leases	13,704	389
Governmental funds report operating leases as expenditures. However, in the statement of activities, the lease is recognized as a non-current asset and amortized over the lease term. This is the amount of amortization charged.		(109,104)
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation charged differed from capital outlay in the current period.		
Capital outlay	849,673	
Depreciation	(1,365,326)	(515,653)
Certain long-term liabilities are not recognized at the fund level because they do not represent a claim on current financial resources. Expenses at the government-wide level are recognized when these liabilities are incurred, while expenditures are recognized at the fund level when cash payments are made. The amounts below include the net change in long-term liabilities.		
Lease payable	1,064,394	
Right to use leased liability	110,490	
Compensated absences	122,467	
Other post-employment benefits and related outflows/inflows of resources	666,882	
Net pension liability and related outflows/inflows of resources	466,266	2,430,499
Change in Net Position of Governmental Activities		$ 1,077,970

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

CITY OF BAKER, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Utility	Cemetery	City Parish Sewer Revenue	Total Proprietary Funds
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 222,316	$ -	$ 2,152	$ 224,468
Inventory and prepaid expenses	37,678	189,780	-	227,458
Accounts receivable, net	828,447	126,489	38,402	993,338
Unbilled receivables	176,693	-	-	176,693
Due from other govt agencies	136,047	-	14,451	150,498
Total Current Assets	1,401,181	316,269	55,005	1,772,455
Non-Current Assets:				
Investments	62,438	-	-	62,438
Restricted Assets:				
Cash and cash equivalents	836,777	104,607	-	941,384
Investments	-	390,816	-	390,816
Total Restricted Assets	836,777	495,423	-	1,332,200
Capital Assets:				
Non-depreciable	246,272	130,000	-	376,272
Depreciable, net	16,161,230	57,259	-	16,218,489
Net Capital Assets	16,407,502	187,259	-	16,594,761
Total Assets	18,707,898	998,951	55,005	19,761,854
DEFERRED OUTFLOW OF RESOURCES				
Related to other post-employment benefits	33,579	6,056	-	39,635
Related to pension liabilities	138,358	26,706	-	165,064
Total Deferred Outflows of Resources	171,937	32,762	-	204,699

Continued

CITY OF BAKER, LOUISIANA
STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS
JUNE 30, 2025

	Utility	Cemetery	City Parish Sewer Revenue	Total Proprietary Funds
LIABILITIES				
Current Liabilities:				
Accounts payable	$ 198,528	$ 152,839	$ -	$ 351,367
Accrued liabilities	248,963	220	-	249,183
Unearned revenue	40,550	1,196,092	-	1,236,642
Customer utility deposits	1,127,519	-	-	1,127,519
Bonds payable, current portion	195,000	-	-	195,000
Due to other govt agencies	15,102	-	391,177	406,279
Total Current Liabilities	1,825,662	1,349,151	391,177	3,565,990
Non-Current Liabilities:				
Compensated absences	44,199	1,152	244	45,595
Bonds payable	5,590,000	-	-	5,590,000
Other post-employment benefit	850,668	155,341	55,104	1,061,113
Net pension liabilities	828,140	130,759	-	958,899
Total Non-Current Liabilities	7,313,007	287,252	55,348	7,655,607
Total Liabilities	9,138,669	1,636,403	446,525	11,221,597
DEFERRED INFLOWS OF RESOURCES				
Related to other post-employment benefits	42,894	7,833	-	50,727
Related to pension liabilities	1,710	7,043	-	8,753
Total Deferred Inflows of Resources	44,604	14,876	-	59,480
NET POSITION				
Investment in capital assets, net of related debt	10,622,502	187,259	-	10,809,761
Restricted	836,777	495,423	-	1,332,200
Unrestricted	(1,762,718)	(1,302,248)	(391,519)	(3,456,485)
TOTAL NET POSITION	$ 9,696,561	$ (619,566)	$ (391,519)	$ 8,685,476

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

CITY OF BAKER, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025

	Utility	Cemetery	City Parish Sewer Revenue	Total Proprietary Funds
OPERATING REVENUES				
Charges for Services:				
Water	$ 1,171,420	$ -	$ -	$ 1,171,420
Natural gas	1,904,821	-	-	1,904,821
Sewer	853,477	-	85,181	938,658
Late/reconnection fees	298,390	-	-	298,390
Sales	-	243,795	-	243,795
Other operating revenues	46,031	4,938	-	50,969
Total Operating Revenues	4,274,139	248,733	85,181	4,608,053
OPERATING EXPENSES				
Cost of sales	986,677	152,201	12,000	1,150,878
Contractual services	360,158	9,690	1,000	370,848
Depreciation	657,507	3,084	-	660,591
Payroll and related expenses	756,087	158,494	19,524	934,105
Repairs and maintenance	70,633	6,119	-	76,752
Bad debt	98,000	-	-	98,000
Other operating expenses	849,936	34,584	28,543	913,063
Total Operating Expenses	3,778,998	364,172	61,067	4,204,237
Operating Income (Loss)	495,141	(115,439)	24,114	403,816
NON-OPERATING REVENUES (EXPENSES)				
Investment income, net	178,847	11,386	-	190,233
Grants and other contributions	410,744	-	-	410,744
Interest expense	(123,950)	-	-	(123,950)
Bond administration fees	(17,650)	-	-	(17,650)
Transfers, net	(1,165,034)	-	(305,000)	(1,470,034)
Net Non-Operating Revenues (Expenses)	(717,043)	11,386	(305,000)	(1,010,657)
Change in Net Position	(221,902)	(104,053)	(280,886)	(606,841)
NET POSITION				
Balance, beginning of year	9,918,463	(654,960)	(110,633)	9,152,870
Adjustment to prior period(s)	-	139,447	-	139,447
Balance, end of year	$ 9,696,561	$ (619,566)	$ (391,519)	$ 8,685,476

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

CITY OF BAKER, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025

	Utility	Cemetery	City Parish Sewer Revenue	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 3,818,674	$ 243,439	$ 47,024	$ 4,109,137
Payments to suppliers	(2,195,620)	(52,888)	(105,161)	(2,353,669)
Payments to employees	(890,444)	(185,112)	(19,524)	(1,095,080)
Net Cash Provided by (Used for) Operating Activities	732,610	5,439	(77,661)	660,388
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES				
Change in customer deposits	2,885	-	-	2,885
Loans to other funds	3,296,456	-	-	3,296,456
Operating transfers to/from other funds	(1,165,034)	-	(305,000)	(1,470,034)
Net Cash Provided by (Used for) Non-Capital and Related Financing Activities	2,134,307	-	(305,000)	1,829,307
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(2,085,324)	-	-	(2,085,324)
Grants and contributions received	410,744	-	-	410,744
Principal payments on bonds payable	(190,000)	-	-	(190,000)
Interest and related payments on bonds payable, net of earnings	(141,600)	-	-	(141,600)
Net Cash Used for Capital and Related Financing Activities	(2,006,180)	-	-	(2,006,180)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase/redemption of investments	(42,929)	21,095	-	(21,834)
Interest on investments	178,847	11,386	-	190,233
Net Cash Provided by Investing Activities	135,918	32,481	-	168,399
Net Increase (Decrease) in Cash and Cash Equivalents	996,655	37,920	(382,661)	651,914
Cash and cash equivalents, beginning of year	62,438	66,687	384,813	513,938
Cash and cash equivalents, end of year	$ 1,059,093	$ 104,607	$ 2,152	$ 1,165,852

Continued

CITY OF BAKER, LOUISIANA
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025

	Utility	Cemetery	City Parish Sewer Revenue	Total Proprietary Funds
PRESENTATION ON STATEMENT OF NET POSITION:				
Current Assets - cash and cash equivalents	$ 222,316	$ -	$ 2,152	$ 224,468
Restricted Assets - cash and cash equivalents	836,777	104,607	-	941,384
Total Cash and Cash Equivalents	$ 1,059,093	$ 104,607	$ 2,152	$ 1,165,852
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:				
Operating Income (Loss)	$ 495,141	$ (115,439)	$ 24,114	$ 403,816
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	657,507	3,084	-	660,591
Change in operating assets and liabilities:				
Accounts receivable and other assets	(485,733)	(11,219)	(38,157)	(535,109)
Accounts payable and accrued liabilities	164,301	273,117	(63,618)	373,800
Deferred revenues	2,369	(123,181)	-	(120,812)
Post-employment benefits and related deferred outflows (inflows)	(71,956)	587	-	(71,369)
Net pension liability and related deferred outflows (inflows)	(29,019)	(21,510)	-	(50,529)
Net Cash Provided by (Used for) Operating Activities	$ 732,610	$ 5,439	$ (77,661)	$ 660,388

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

BASIC FINANCIAL STATEMENTS

Notes

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction
The City of Baker, Louisiana (hereafter referred to as the City) was originally governed by the provisions of the Lawrason Act, Louisiana Revised Statute 33.321-481. The electorate adopted a Home Rule Charter on May 16, 1970, that would become effective on July 1, 1972. The Charter provided for a mayor-council form of government. The Council is elected to member districts. There are five council members, and they are compensated for their services. The purpose of the municipality is to promote the general welfare and safety, health, peace, good order, comfort, convenience, and morale of its inhabitants.

The accounting policies of the City conform to generally accepted accounting principles (GAAP) as applicable to governments and promulgated by the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*. The following is a summary of the more significant policies:

Basis of Presentation
The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Private Sector Standards of Accounting issued on or prior to November 30, 1989, generally are followed in both the government-wide financial statements and the proprietary fund type financial statements as made applicable through GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements*. Certain significant components include the following.

- Management's Discussion and Analysis (MD&A) section providing an analysis of the City's overall financial position and results of operations,

- Financial statements prepared using accrual basis accounting for all City activities, including infrastructure (roads, bridges, etc.) and long-term debt, otherwise known as government-wide financials, and

- Financial statements focusing on major funds utilizing the basis of accounting applicable to each fund type, referred to as fund financial statements.

Reporting Entity
The financial reporting entity presents all activities of the City's primary government, organizations for which the primary government is financially accountable (component units), and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. It consists of government-wide and fund financial statements.

Government-Wide Financial Statements
The government-wide financial statements include the statement of net position and the statement of activities that report information on all non-fiduciary activities of the primary government and its

component units, if any. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Government activities generally are financed through taxes, intergovernmental revenues, fines, charges for services, and other nonexchange revenues.

Business-type activities are financed in whole or part by fees charged to external parties for services provided. The City's natural gas, sewer, and water services are classified as business-type services as well as its cemetery and sewer revenue fees.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Fund Financial Statements
Fund financial reporting is at the major fund level in either the governmental or business-type categories. Major funds are presented alone in a separate column, while non-major funds are summarized into a single column in the basic financial statements. The following are the City's primary governmental funds:

> *General Fund* - the primary operating fund of the City that accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to City policy. The General Fund is always a major fund.
>
> *Special Revenue Funds* - account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes or designated by the City to be accounted for separately. The following special revenue funds are reported as major funds in the financial statements:
>
> > *Street Fund* - accounts for the ½-cent sales tax dedicated to road construction, maintenance, and beautification along the roadways within the City's boundaries.
> >
> > *City Court Fund* - accounts for the operation of the City's court system.

Other special revenue funds, considered non-major, include (1) ½ cent special tax - police, (2) ½ cent special tax – fire, (3) 911 communications, and (4) marshal & police operations. These funds are combined into one column in the government-wide financial statements but reported separately in the Other Information section.

Enterprise Funds – account for business-type activities to include:

Utility Fund - accounts for all financial resources related to the water, sewer and gas distribution systems managed and operated by the City.

Cemetery Fund - accounts for the operations of the Hillcrest Memorial Gardens Cemetery.

City Parish Sewer Revenue Fund - accounts for the activities associated with providing billing and collection services for the Parish of East Baton Rouge sewer and refuse customers located within or just outside of the City's boundaries.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and/or delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the proprietary funds are user fees. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All not meeting this definition are reported as non-operating revenues and expenses.

Blended Component Units
Governmental accounting standards through the Governmental Accounting Standards Board Statement No. 14, as amended through Statement No. 61, *The Financial Reporting Entity*, establishes the criteria for determining which component units should be considered part of the consolidated government for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit

2. Financial accountability
   a. The primary government appoints a voting majority of the potential component unit's governing body, and the primary government can impose its will on the potential component unit or
   b. When a potential component unit is fiscally dependent on the primary government regardless of whether the organization has separately elected officials or boards

3. Financial benefit/burden relationship between the City and the potential component unit

4. Exclusion due to the nature and significance of their relationship with the primary government would cause the reporting entity's financial statements to be misleading.

Even though the Baker City Court and the Marshal Fund are both separate legal entities and governed by their own elected official, they are so intertwined with the City that they are, in substance, the same as the City and considered blended component units. The City Court and Marshal Fund have been reported in the special revenue funds in the accompanying financial statements, City Court Fund as major and Marshal Fund as non-major governmental funds. The Marshal Fund includes other police activities managed by the police chief such as asset forfeiture and certain police operations.

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

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

Those revenues susceptible to accrual are property taxes, franchise taxes, beer taxes, and video bingo monies. Sales taxes collected and held by intermediary collecting governments at year-end on behalf of the City are also recognized as revenue. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash. Other receipts and taxes become measurable and available when cash is received and are recognized as revenue at that time.

Short-Term Interfund Receivables/Payables
During operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as being due to/from other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

Elimination and Reclassifications
In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payable are typically eliminated to minimize the "grossing up" effect on assets and liabilities related to governmental activities. Because these amounts in the current year are immaterial, they have not been eliminated.

Inventories
All inventories are valued at cost using the first-in/first out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased.

Capital Assets
Capital assets, which include property, plant, equipment, and infrastructure assets (roads, bridges, sidewalks, utility system infrastructure, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financials. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Generally, the City maintains a threshold level of $5,000 or more for capitalizing capital assets.

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

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

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

Description	Estimated Lives
Buildings	10-40 years
Equipment	4-10 years
Office Furniture	5-10 years
Vehicles	3-20 years
Infrastructure	40-50 years

Right to Use Assets
The City has recorded the right to use assets because of implementing GASB Statement No. 87 *Leases*. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

Subscription-based Technology Assets
The City has adopted GASB Statement No. 96 *Subscription-Based Information Technology Arrangement*, and recorded, if any, subscription-based technology assets. These assets are initially measured at an amount equal to the initial measurement of the subscription obligation plus any subscription payments made prior to the subscription term plus capitalizable implementation costs, and less any incentives received from the vendor at or before the commencement of the subscription term. The subscription-based technology assets are amortized on a straight-line basis over the life of the related lease.

Compensated Absences
The City allows annual leave to regular full-time employees based on the length of continuous service. No leave is earned, however, while on suspension or leave without pay status. Annual leave may be carried over to the next calendar year, and there is no limit on the amount an employee may accumulate. Because employees are encouraged to take time away, no more than 400 hours of unused annual leave will be paid upon retirement or separation. Employees are not paid for their annual leave at year-end, but are paid for accumulated, unused leave upon termination.

Sick leave is earned by regular employees at the rate of one day per month, and it may be accumulated up to 360 working days. Employees are not paid for unused sick leave upon termination.

In the government-wide financial statements and the proprietary fund type fund statements, the total compensated absences liability is recorded as an expense and a long-term obligation and allocated on a functional basis. In accordance with GASB Interpretation No.6 *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, (issued in March 2000), no compensated absences liability is recorded on June 30, 2025, in the governmental fund financial statements. The liquidation of the compensated absence liabilities will be paid proportionally to funds in which the compensation was paid, primarily the general and utility funds.

Restricted Net Position
In the government-wide financial statements, net position is displayed in three components:

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of those assets.

- *Restricted net position* – reports assets on which a constraint has been placed by either (1) Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) Imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted net position* – recognizes the net amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment of capital assets or the restricted component of net position.

The City adopted GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* during the year ended June 30, 2011. GASB No. 54 requires the fund balance amounts to be reported within the following fund balance classifications:

- *Non-spendable* – includes fund balance amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

- *Restricted* – includes fund balance amounts with constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

• *Committed* – consists of fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority which is the Mayor and Council members. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example - legislation, resolution, ordinance) it employed to previously commit those amounts.

• *Assigned* - made up of fund balance amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by (a) the government body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes

• *Unassigned* – incudes all other fund balances that do not meet the definition of non-spendable, restricted, committed or assigned. They are the residual classification for the general fund.

When expenditures are 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 expenditures are incurred for which other 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 its commitment or assignment actions.

Stewardship, Compliance and Accountability
Budgetary Information - After presentation of the proposed budget in a public meeting, a public hearing date is advertised. At least ten days prior to the public hearing, the proposed budget is published in the official journal, and it is made available for inspection at City Hall. Following the public hearing, it is legally enacted through passage of an ordinance, no later than the thirtieth day of the last month of the fiscal year. Budgetary amendments require adoption of an ordinance.

Every appropriation, except an appropriation for capital expenditure, lapses at the close of the fiscal year to the extent that it has not been expended. Budgets for the General and Special Revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended from time to time by the Council.

Deficit Fund Balances – Funds with deficit fund balances or net position as of June 30, 2025, are as follows (in thousands):

General	$ 2,981
Cemetery	620
City Parish Sewer Revenue	392

Interfund Transfers
Transactions that constitute reimbursements to a fund for expenditures initially made from it that are applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues or expenditures/expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Levied Taxes
Ad Valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September or October and billed to the taxpayer in November. Billed taxes become delinquent on January 1 of the following year. The East Baton Rouge Parish Sheriff acts as the tax collector on behalf of the City using the assessed values determined by the East Baton Rouge Tax Assessor. When the City receives the tax roll, a receivable is set up and revenue is recognized based on the assessed values to the extent available.

The following is a summary of authorized and levied ad valorem taxes:

Fund Type	Purpose	Authorized Millage	Levied Millage	Expiration Date
General	General purpose	6.22	5.76	Indefinite

Historically, virtually all ad valorem taxes receivable are collected since they are secured by property; therefore, there is no allowance for uncollectible taxes. The Council has not rolled forward since the last property assessment and, therefore, the levied taxes are less than authorized.

Sales taxes are recognized as revenue in the month of the underlying sale transaction. The City-Parish of East Baton Rouge has been contracted to collect and remit this tax to the City for which a fee is charged.

The following is a summary of authorized sales taxes:

Fund Type	Purpose	Percent	Expiration Date
General	General purpose	2.00	None
Special Revenue	Salaries of firefighters, police, and other personnel and acquisition of public safety equipment	0.50	None
Special Revenue	Street maintenance and construction	1.00	12/31/2030

NOTE 2 – CASH AND INVESTMENTS

Deposits and Cash Equivalents
On June 30, 2025, the City had cash (book balances) totaling $6.11 million (inclusive of restricted cash of $4.20 million) consisting primarily of demand and interest-bearing demand deposits at local banks. 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 the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must always equal the amount on deposit with the fiscal agent.

Because of its immediate accessibility and liquidity, cash also includes funds invested by LAMP (La Asset Management Pool), a non-profit corporation organized under La laws whose primary objective is to provide a safe environment for the placement of public funds in short-term, high-quality investments in accordance with La R.S. 33:2955. Only local government entities having contracted to participate have an investment interest in its asset pool. The investments in LAMP are stated at fair value, determined on a weekly basis, as required by GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investment and External Investment Pools*. To the extent possible, LAMP invests in a manner consistent with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. LAMP is subject to regulatory oversight by the state treasurer and board of directors. It is not registered with SEC as an investment company. The following risks are relevant for investment pools:

(1) credit – LAMP is rated AAAm by Standard & Poor's.

(2) custodial credit – LAMP participants' investments are evidenced by shares of the pool. These investments 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.

(3) concentration of credit – Pooled investments are excluded from the 5% disclosure requirement.

(4) interest rate – LAMP is designed to be highly liquid for immediate access to participant's account balances. It prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. This method 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 (no. of days) (from LAMP's monthly Portfolio Holdings) as of (date of mth-end).

Governmental Accounting Standards Board (GASB) Statement No. 40 *Deposit and Investment Risk Disclosures* requires disclosure of custodial credit risk for bank deposits. Custodial risk is the risk that in the event of bank failure, the government's deposits may not be returned. Under state law, all deposits are required to be secured by federal depository insurance or the pledge of securities held by the pledging bank's agent in the City's name. At year-end, bank balances amounted to $2.43 million at Hancock Whitney Bank and $1.71 million at Chase Bank. Of these bank balances, $1,500,000 was covered by federal depository insurance and the remaining balance was protected against custodial credit risk by collateral held by the pledging banks' trust department or agent in the City's name.

Investments
Investments, original maturities exceeding 90 days, are limited by La. Revised Statute 33:2955. In accordance with GASB No. 31 *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are recorded at quoted market value with the corresponding increase or decrease reported in investment earnings.

Investments made by the City consist of long-term certificates of deposit and securities managed under an Investment Management Agreement with Hancock Whitney Trust Division. Based on policy, the objectives of the City in relation to its investments are 1) safety of principal, 2) liquidity and 3) yield.

Category 1 investments are those insured or registered in the name of the government, securities held by the government or by its agent in the government's name. Category 2 includes investments that are neither insured nor registered.

The City had the following investments on June 30, 2025:

	Category 1	Fair Value	Cost	Maturity Date	Interest Rate
Certificates of Deposit –					
Hancock Whitney Bank	$ 188,703	$ 188,703	$ 188,703	9/2025; 1/2026	.25 – 2.50%
Investments Not Subject to Categorization:					
Fixed Income					
U.S. Treasury notes		384,935	390,816	2027-2032	.50 – 4.375%
Total Investments		$ 573,638	$ 579,519		

Based on fair market measurement methods, investments are classified by level based on their degree of difficulty obtaining quoted market prices. All investments of the City can be classified as level 1 assets.

NOTE 3 – INVESTMENT RISK

Concentration of Credit Risk
Concentration of credit risk is defined as the risk of loss attributed to the magnitude of the City's investment in a single issuer. There is no policy limiting concentration of credit risk, but the City adheres to state law regarding allowable investments that minimize loss.

The City's investment includes certificates of deposit in financial institutions chartered or having principal offices in Louisiana and treasury-backed securities. The certificates of deposit are secured by the pledge of securities owned by the financial institution issuing the certificate of deposit and are not subject to credit risk disclosure. The U. S. Treasury and U.S. Agency securities are rated AAA by Standard and Poor's.

Custodial Credit Risk
Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be used to recover the value of investment or collateral securities that are in the possession of an outside party. Exposure to custodial credit risk arises when securities

are insured or are not registered in the name of the City and are held by either the counterparty or the counterparty's trust department or agent. but not in the City's name. The City was not exposed to custodial credit risk as of June 30, 2025. and its policy provides for periodic review of pledged collateral to minimize custodial credit risk.

Interest Rate Risk
Interest rate risk is defined as the risk that changes in interest rates in the general market will adversely affect the fair value of an investment. The holding period of investment security can be an indicator of interest rate risk exposure.

As of June 30. 2025, the City's investments reported on the governmental-wide statement of net position totaled $579,519 which included $188,703 in long-term time deposits and $390,816 in fixed-income, treasury notes managed by Hancock Whitney Trust Division. The City seeks counsel from its trustees regarding interest rates.

NOTE 4 - ACCOUNTS RECEIVABLE

Receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts are based upon historical trends, period aging and prior write-offs of similar account types.

Accounts receivables, net of applicable allowances, on June 30, 2025, were as follows:

Governmental Funds:

	General Fund	Street Fund	Non-Major Governmental Funds	Total
Accounts	$ 624,524	$ -	$ -	$ 624,524
Sales tax	566,676	338,536	220,680	1,125,892
Franchise tax	177,821	-	-	177,821
Other	2,401,456	-	-	2,401,456
Total receivables	3,770,477	338,536	220,680	4,329,693
Less: Allowance for uncollectible	(211,818)	-	-	(211,818)
Receivables, net	$ 3,558,659	$ 338,536	$ 220,680	$ 4,117,875

Proprietary Funds:

	Utility	Cemetery	City Parish Sewer Revenue	Total
Accounts receivable	$ 1,685,426	$ 126,489	$ 38,402	$1,850,317
Unbilled receivables	176,693	-	-	176,693
Less: Allowance for uncollectible	(856,979)	-	-	(856,979)
Receivables, net	$ 1,005,140	$ 126,489	$ 38,402	$ 1,170,031

NOTE 5 - INTERFUND BALANCES AND TRANSFERS

Interfund balances - used to meet cash demands to pay operating expenditures. On June 30, 2025, the Street Fund was due $6,412,124 from the General Fund. Reimbursements from granting authorities and sales tax collections over the next two years will be used to repay these funds.

Transfers – typically used to move revenue from the fund that collects them to the fund that the budget requires to expend them in accordance with budgetary authorizations. During the year ended June 30, 2025, transfers for the purpose of cash flow and operations consisted of the following:

	Transfers In	Transfers Out	Net Transfers
Governmental Funds:			
General Fund	$ 3,453,959	$ -	$ 3,453,959
½ Cent Tax Fire Fund	-	965,000	(965,000)
½ Cent Tax Police Fund	-	1,140,000	(1,140,000)
911 Communications Fund	121,075	-	121,075
Proprietary Funds:			
Utility	-	1,165,034	(1,165,034)
Sewer Revenue	-	305,000	(305,000)
Total	$ 3,575,034	$ 3,575,034	$ -0-

NOTE 6 - CAPITAL ASSETS

Governmental Activities
The following is a summary of changes in capital assets for the year ended June 30, 2025:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Governmental Activities:				
Capital assets, not subject to depreciation:				
Land	$ 1,333,897	$ 55,200	$ -	$ 1,389,097
Total capital assets, not being depreciated	1,333,897	55,200	-	1,389,097
Depreciated:				
Buildings	6,742,505	-	33,510	6,708,995
Improvements	4,608,833	-	-	4,608,833
Streets/Bridges	12,733,007	-	-	12,733,007

Equipment	4,110,833	600,163	3,895	4,707,101
Vehicles	4,710,423	186,985	-	4,897,408
Furniture and office equipment	581,137	7,325	-	588,462
Total capital assets, being depreciated	33,486,738	794,473	37,405	34,243,806
Total Capital Assets	$ 34,820,635	$ 849,673	$ 37,405	$ 35,632,903
Less accumulated depreciation for:				
Buildings	$ 3,928,027	$ 163,201	$ 33,510	$ 4,057,718
Improvements	3,012,067	157,041	-	3,169,108
Streets/Bridges	3,474,612	423,326	-	3,897,938
Equipment	2,713,617	295,814	3,895	3,005,536
Vehicles	2,250,600	308,032	-	2,558,632
Furniture and office equipment	524,728	17,912	-	542,640
Total accumulated depreciation	15,903,651	1,365,326	37,405	17,231,573
Net capital assets, being depreciated	17,527,886	(515,653)	-	17,012,233
Total Capital Assets, net	$ 18,916,983	$ (515,653)	$ -	$ 18,401,330

Depreciation expense totaling $1,365,326 for the year ended June 30, 2025, was charged to governmental functions in the statement of activities as follows:

General government	$ 271,088
Public safety	561,202
Public works	475,196
Economic/recreational development	57,840
Total	$ 1,365,326

Business-Type Activities
The following is a summary of changes in capital assets for the year ended June 30, 2025:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Business-Type Activities:				
Capital assets not subject to depreciation:				
Land	$ 376,272	$ -	$ -	$ 376,272
Total capital assets, not being depreciated	376,272	-	-	376,272
Capital assets subject to depreciation:				
Buildings	283,962	-	61,525	222,437
Utility systems	23,742,298	2,022,298	-	25,764,596
Streets	50,000	-	-	50,000
Equipment	909,151	5,201	18,919	895,433
Vehicles	307,397	57,825	3,000	362,222
Furniture and office equipment	106,595	-	-	106,595
Total capital assets, being depreciated	25,399,403	2,085,324	83,444	27,401,283

Total Capital Assets	25,775,674	2,085,324	83,444	27,777,555
Less accumulated depreciation for:				
Buildings	238,606	8,818	61,525	185,899
Utility systems	9,260,298	592,302	-	9,852,600
Streets	50,000	-	-	50,000
Equipment	651,604	46,383	18,919	679,068
Vehicles	298,542	13,088	3,000	308,630
Furniture and office equipment	106,597	-	-	106,597
Total accumulated depreciation	10,605,647	660,591	83,444	11,182,794
Total capital assets, being depreciated, net	14,793,756	1,424,733	83,444	16,218,489
Total Capital Assets, net	$ 15,170,028	$ 1,424,733	$ -	$ 16,594,761

This year, three construction projects totaling $6,654,274 were completed: water well and distribution system improvements, replacement of the oldest well, and drilling a new well on the city's west side. The assets are now being depreciated. Funding came from a $1.835 million LCDBG Public Facilities grant and a $6.34 million bond issued in July 2021.

NOTE 7 - PENSION PLAN

The City is a participating employer in several cost-sharing defined benefit pension plans. These plans fall under the administration of four public employee retirement systems - Municipal Employees' Retirement System of Louisiana (MERS), Municipal Police Employees' Retirement System (MPERS), Firefighters' Retirement System (FRS), and Louisiana State Employees Retirement System (LASERS). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of these plans to the State Legislature. A distinct board of trustees manages each system individually.

Each of these systems issue an annual publicly available financial report that includes financial statements and required supplementary information for the system. These reports may be obtained by writing, calling, or downloading the reports as follows:

MERS
7937 Office Park Boulevard
Baton Rouge, LA 70809
(225) 925-4810
www.mersla.com

MPERS
7937 Office Park Boulevard, Suite 2000
Baton Rouge, LA 70809
(225) 929-7411
www.lampers.org

FRS
3100 Brentwood Drive
Baton Rouge, LA 70809
(225) 925-4060
www.lafirefightersret.com

LASERS
8401 United Plaza Boulevard, 1st Floor
Baton Rouge, LA 70809
(225) 922-0600
www.lasersonline.org

Plan Descriptions
The following descriptions of the plans and their benefits are provided for general information purposes only. Detailed information regarding eligibility, membership, retirement and survivor benefits, and other information should be found in the Plans' individual reports referenced above.

Municipal Employees' Retirement System of Louisiana (MERS)
The Municipal Employees' Retirement System of Louisiana (MERS) is the administrator of a cost-sharing multiple-employer defined benefit pension plan. The System was established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana. It provides retirement benefits to employees of all incorporated villages, towns and cities within the State which do not have their own retirement system, and which elect to become members of the System. The City of Baker is a participant in Plan A only.

Municipal Police Employees' Retirement System (MPERS)
The Municipal Police Employees' Retirement System (MPERS) is the administrator of a cost-sharing multiple-employer plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. The projections of benefit payments in the calculation of the total pension liability include all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211- 11:2233.

Firefighters' Retirement System (FRS)
The Firefighters' Retirement System (FRS) is the administrator of a cost-sharing multiple-employer plan. Membership in the System is a condition of employment for any full-time firefighters who earn more than $375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana in addition to employees of the Firefighters' Retirement System. The System provides retirement benefits for their members. The projections of benefit payments in the calculation of the total pension liability include all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11.2251- 11:2272. Later in this section is a brief description of the plan and its benefits and it is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Louisiana State Employees' Retirement System (LASERS)
One employee of the City is eligible to participate through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees

and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org.

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 (PRSAC) in accordance with La. Revised Statute 11:127.

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of the covered payroll. The contribution rates in effect for the year ended June 30, 2025, for the City and covered employees were as follows:

	City	Employee
Municipal Employees' Retirement System Plan A	29.50%	10.00%
Municipal Police Employees' Retirement System		
All employees hired prior to 01/01/2013 and all Hazardous Duty employees hired after 01/01/2013	33.93%	10.00%
Non-Hazardous Duty (hired after 01/01/2013)	33.93%	8.00%
Employees receiving compensation below poverty guidelines of US Department of Health	36.43%	7.50%
Firefighters' Retirement System		
Employees receiving compensation above poverty guidelines of US Department of Health	33.25%	10.00%
Employees receiving compensation below poverty guidelines of US Department of Health	35.25%	8.00%
Louisiana State Employees' Retirement System		
Judges hired after 12/31/2010	44.70%	13.00%

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

The following schedule lists the City's proportionate share of the Net Pension Liability allocated by each of the pension plans based on the June 30, 2024, measurement date. The City uses this measurement to record its Net Pension Liability and associated amounts as of June 30, 2025, in accordance with GASB Statement No. 68. The schedule also includes the proportionate share allocation rate used on June 30, 2025, along with the change compared to the June 30, 2024, rate. The City's proportion of the Net Pension Liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	Net Pension Liability at June 30, 2025	Current Measurement Rate	Previous Measurement Rate	Increase (Decrease)
MERS	$ 4,358,631	1.5490%	1.5490%	0.0000%
MPERS	3,957,607	0.4400%	0.4400%	0.0000%
FRS	3,254,762	0.5800%	0.5800%	0.0000%
LASERS	-	0.0000%	0.0045%	-0.0045%
Total	$ 11,571,000			

The following schedule lists each pension plan's recognized pension expense (benefit) of the City for the year ended June 30, 2025:

MERS	$ 514,554
MPERS	592,724
FRS	765,339
LASERS	-
Total	$ 1,872,617

On June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 458,634	$ (341,414)
Changes of assumptions	142,942	(25,729)
Net difference between projected and actual earnings on pension plan investments	197,933	-
Changes in proportion and differences between Employers' contributions and proportionate share of contributions	537,606	(280,055)
Differences between allocated and actual contributions	-	-
Employer contributions subsequent to the measurement date	1,877,367	-
Total	$ 3,214,482	$ (647,198)

For that portion related to governmental activities, the reconciliation from fund to government-wide level reporting is as follows:

Change in…	
Net pension liability	$ (203,326)
Deferred outflows of resources	312,210
Deferred inflows of resources	357,382
	$ 466,266

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
MERS	$ 890,212	$ (234,758)
MPERS	795,491	(335,034)
FRS	1,528,779	(77,406)
LASERS	-	-
Total	$ 3,214,482	$ (647,198)

The City reported a total of $3,214,482 as deferred outflows of resources related to pension contributions made after the measurement period of June 30, 2024, which will be recognized as a reduction in Net Pension Liability in the subsequent year. The following schedule lists the pension contributions made after the measurement period for each pension plan:

	Subsequent Contributions
MERS	$ 831,518
MPERS	471,197
FRS	574,652
LASERS	-
Total	$ 1,877,367

The amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as a reduction of pension expense as follows:

Year	MERS	MPERS	FRS	LASERS	Total
2025	$ (181,366)	$ (108,376)	$ 182,919	$ -	$ (106,823)
2026	263,135	320,046	556,628	-	1,139,809
2027	(149,619)	(153,062)	10,051	-	(292,630)
2028	(108,214)	(69,348)	(5,391)	-	(182,953)
2029	-	-	88,473	-	88,473
2030	-	-	44,041	-	44,041
Total	$ (176,064)	$ (10,740)	$ 876,721	$ -	$ 689,917

Actuarial Assumptions
A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2025, are as follows.

	Measurement/ Valuation Date	Expected Remaining Service Lives	Investment Rate of Return
MERS	June 30, 2024	3 Years	6.85% net of investment expenses
MPERS	June 30, 2024	4 Years	6.75% net of investment expenses
FRS	June 30, 2024	7 Years	6.90% net of investment expenses
LASERS	June 30, 2024	2 Years	7.25% net of investment expenses

Mortality
MERS - Employee mortality rates based on PubG-2010(B) Employee Table set rates equal to 120% for males and females, each adjusted using their respective male and female Mp2018 scales.

MPERS - Mortality assumptions were based on the RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Mortality Table projected to 2029 by Scall AA (setback 1 year for females)

for healthy annuitants and beneficiaries. The RP- 2000 Disabled Lives Mortality Table was selected for disabled annuitants (setback 5 and 3 years for males and females, respectively).

FRS – Mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Medium Employees for active members. The same Pub-2010 was utilized but for annuitants and beneficiaries the table for Healthy Retirees was used and for disabled retirees the table for Safety Disabled Retirees was used. In all cases, the base table was multiplied by 105% for males and 115% for females, each with full generational projection using the appropriate MP-2019 scale.

LASERS - *Non-disabled members* - Mortality rates are based on the RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Mortality Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018.

LASERS - *Disabled members* - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.

Salary Increases
MERS – 6.4% and 4.5% for years of service totaling 1-4 years and 5+ years, respectively, assuming 2.5% Inflation

MPERS -

Years of Service	Salary Growth Rate
1 - 2	9.00%
3 - 23	4.40%
Over 23	4.40%

FRS – Varies depending on years of service starting at 14.10% in the first two years of service, decreasing to 5.20% for years 3 – 24 and to 5.20% after 25 years, including inflation and merit increases.

LASERS - Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are:

Member Type	Lower Range	Upper Range
Regular	3.0%	12.8%
Judges	2.6%	5.1%
Corrections	3.6%	13.8%
Hazardous Duty	3.6%	13.8%
Wildlife	3.6%	13.8%

Cost of Living Adjustments

MERS - The System is authorized under state law to grant a cost-of-living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available

from investment income more than normal requirements. State law allows the System to grant an additional cost of living increase to all retirees and beneficiaries who are aged sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

MPERS – The present value of future retirement benefits is based on benefits currently being paid by the System. Act 360 of 2022 removed MPERS from R.S. 11:243, R.S. 11:246, R.S. 11:107.2 and repealed R.S. 11:2225(A)(7) and enacted R.S. 11:2225.5 which created a Funding Deposit Account. The account for the accumulation of additional employer contributions is dedicated to the funding of future cost-of-living increases only after sufficient funds are available to fully offset the present value of the additional benefits offered. It shall earn interest and may be credited with up to .85% of plan payroll in any year in which the Board of Trustees elects to require that employers contribute an amount more than the rate determined under R.S. 11:103. Its balance shall not be considered for the purpose of computing the employer contribution rate.

FRS - COLAs were deemed not to be substantively automatic and only for those previously granted.

LASERS - The present value of future benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

Rate of Return

The following methods used by each of the retirement systems in determining the long- term rate of return on pension plan investments.

MERS - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5% and an adjustment for the effect of rebalancing diversification. The resulting expected long-term rate of return is 6.85% for the year ended June 30, 2025.

MPERS - The long-term expected rate of return was 6.75%. The projection of cash flows used to determine this rate assumes contributions from plan members will be made at the current rates and contributions from participating employers and non-employer contributing entities will be made at actuarially determined contribution rates calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. It was projected that the plans' fiduciary net position would be available to make all projected future benefit payments of current plan members. Therefore, the long-term rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

FRS - The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5%. The long-term geometric expected rate of return was 6.90% as of June 30, 2025.

LASERS - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.4% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.25% as of June 30, 2025.

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each system's target asset allocations as of June 30, 2025.

	Target Allocation			Long-Term Expected Real Rate of Return		
Asset Class	MERS	MPERS	FRS	MERS	MPERS	FRS
Public equity	53.0%	0.00%	0.00%	2.31%	0.00%	0.00%
Equity	0.00%	55.50%	55.00%	0.00%	3.47%	6.44%
Public fixed income	38.0%	0.00%	0.00%	1.65%	0.00%	0.00%
Fixed income	0.00%	30.50%	27.00%	0.00%	0.59%	3.08%
Alternatives	9.00%	14.00%	18.00%	0.39%	1.02%	9.53%

Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	100.0%	100.0%	100.0%	4.35%	5.08%	19.02%
Inflation				2.50%	2.50%	2.50%
Expected Arithmetic Nominal Return				6.85%	4.80%	6.90%

For LASERS, the target allocation, and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2025, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0%	-0.59%
Domestic equity	18%	4.79%
International equity	22%	5.83%
Domestic Fixed Income	7%	1.76%
International Fixed Income	10%	3.98%
Alternative Investments	31%	6.69%
Global Asset Allocation	12%	4.20%
Total	100%	

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 position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS, MPERS, FRS, and LASERS was 6.85%, 6.75%, 6.90% and 7.25%, respectively for the year ended June 30, 2025.

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

The following table presents the City's proportionate share of the Net Pension Liability (NPL) using the discount rate of each Retirement System as well as what the City's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

	1% Decrease	Current Rate	1% Increase
MERS			
Discount Rates	5.850%	6.850%	7.850%
Share of Net Pension Liability	6,563,454	4,358,631	2,497,378
MPERS			
Discount Rates	5.75%	6.750%	7.75%
Share of Net Pension Liability	5,878,928	3,957,607	2,353,678
FRS			
Discount Rates	5.90%	6.90%	7.90%
Share of Net Pension Liability	5,403,586	3,254,762	1,462,435
LASERS			
Discount Rates	6.25%	7.25%	8.25%
Share of Net Pension Liability	-	-	-

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS PLAN

In accordance with state statutes, the City of Baker provides certain post-employment health care and life insurance benefits to its retired employees. Substantially all City of Baker employees may become eligible for such benefits upon reaching normal retirement age while working for the City. These benefits for retirees and similar benefits for active employees are provided through a state-operated group insurance program and various insurance companies whose monthly premiums are paid jointly

by the employee and the City. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting for Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

Plan Description: The City's medical and dental benefits are provided through a group Medicare supplemental plan and are made available to employees upon actual retirement. The City pays approximately 60-70% of the medical premium while the retiree pays the balance. Dental coverage is shared by the City and retirees at 50% each. Pre-65 medical benefits are provided through Blue Cross Blue Shield of Louisiana offering three different plans. All active employees who retire directly from the City and meet the eligibility criteria may participate. The criteria are based on the retirement system whose eligibility provisions are the earlier of (a) age 60 and 10 years of service, or (b) 25 years of service without regard to age. Post-employment coverage is provided for the life of the retiree and his/her spouse if the spouse was covered on the date of separation. This coverage may be changed or terminated by management.

Funding Policy: Until 2011, the City recognized the cost of providing post-employment medical benefits (the City of Baker's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis.

Effective July 1, 2017, the City implemented Government Accounting Standards Board Statement No. 75 *Accounting for Post-employment Benefits* (GASB 75), which supersedes accounting standards that currently exist regarding retiree benefits. Under the new standard, governments recognize a liability for the full amount of actuarially determined accrued benefits, less amounts funded into a trust rather than recognizing the liability based upon the difference between funding recommendations and actual contributions, as was previously required. Additionally, the liability is now measured based on more prescriptive standards. The standard became effective for annual reporting periods beginning after June 15, 2017.

Actuarial Methods and Assumptions: Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post-employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the City and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the City and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the City and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

The total OPEB liability in the actuarial valuation on June 30, 2025, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.5%
Discount rate	3.54% annually (1.04% real rate of return plus 2.50% inflation)
Healthcare cost trend rates	Level 4.50% for medical and level 2.50% for dental

Actuarial Cost Method: Where the Governmental Accounting Standards Board (GASB) Statements 43 and 45 allowed for one of six different actuarial cost methods, GASB 74 and 75 require the Entry Age Normal cost method based on a level percentage of projected salary.

Service Cost: The service cost is determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the Plan's benefit formula. This allocation is based on each participant's service between date of hire and date of expected termination.

Actuarial value of plan assets: Since the OPEB obligation is not being funded, the actuarial value of assets is zero. The pay-as-you-go method is utilized by the City where required payments are made as they come due.

Turnover Rate: Termination rates from the Louisiana Municipal Employees Retirement System (MERS) actuarial valuation report were used for non-public safety employees; the Louisiana Municipal Police Employees Retirement System (MPERS) actuarial valuation report for police employees; and the Louisiana Fireman Retirement System (FRS) actuarial valuation report for fire employees.

Discount rate: The discount rate was selected by reviewing the recently published Bond Buyers' 20 Year General Obligation municipal bond index, which is one of the indices acceptable under GASB 75. A discount rate of 2.21% with a -0.29% real rate of return plus 2.5% inflations was selected for this valuation.

Mortality Rate: The RPH-2014 Total Table with Projection MP-2019 table was used.

Post-retirement Benefit Coverage: It has been assumed 100% of all retirees who currently have healthcare coverage will continue with the same coverage. Additionally, it is assumed that 100% of all active employees will continue with individual coverage upon retirement. For those with family coverage, it is assumed 30% will elect to continue with the spouse coverage and the remainder will elect individual coverage.

Employees Covered by Benefit Terms
As of June 30, 2025, the following summarizes active and retiree participants covered by the benefit terms:

Status	Employee	Employee & Dependents
Active (=112)	95	27
Retired (=36)	29	7
Total = 148	114	34

Total OPEB Liability
The City's total OPEB liability of $5,513,904 was measured as of June 30, 2025, and was determined by an actuarial valuation as of that date.

	Amount
Balance on June 30, 2024	$ 5,263,137
Changes for the year:	
Service cost	188,596
Interest	177,272
Differences between expected and actual experience	(86,973)
Changes in assumptions	(28,129)
Benefit payments and net transfers	-
Net change	250,766
Balance on June 30, 2025	$ 5,513,904

Covered-employee payroll	$ 4,302,807
Net OPEB liability as a percentage of covered-employee payroll	128.15%

For that portion related to governmental activities, the reconciliation from fund to government-wide level reporting is as follows:

Change in…	
Net OPEB liability	$ 223,458
Deferred outflows of resources	2,231
Deferred inflows of resources	(441,194)
	666,883

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1.0% Decrease (3.50%)	Current Discount Rate (4.50%)	1.0% Increase (5.50%)
Total OPEB liability	$ 4,007,512	$ 5,513,904	$ 4,898,070

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates:

	1.0% Decrease (3.5%)	Current Trend (4.5%)	1.0% Increase (5.5%)
Total OPEB liability	$ 3,695,817	$ 5,513,904	$ 5,076,182

Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The OPEB expense reported in the accompanying financial statements was computed as follows:

	Amount
Service cost as of 7/1/2024	$ 188,596
Interest costs, including interest on service cost	177,272
Current Recognized Deferred Outflows (Inflows):	
Difference between expected and actual experience	(86,973)
Changes in assumptions or other inputs	(28,129)
Total OPEB Expense as of 6/30/2025	$ 250,766

Changes in the OPEB liability each year results in deferred outflows and inflows of resources which are summarized in the following table:

	Schedule of Deferred Outflows/(Inflows)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 411,874
Changes of assumptions/inputs	392,584	(919,141)
Totals	$ 392,584	$ 507,267

NOTE 9 – LEASES AND RIGHT TO USE ASSETS

Short-Term Leases – The City has software leases that do not extend beyond June 30, 2025. These are recorded as expenses in the year in which the payment is made.

Capital Leases - The City leased three pumpers and one aerial ladder under a lease-purchase agreement treated as a capital lease due to the option to transfer ownership at the end of the lease term. The

equipment cost of $2,103,064 included a lease term of five years at an interest rate of 3.66%. The term began upon delivery of the fire engines in May of 2020 and terminated upon the exercise of purchase option before expiration. Payment of $1,097,284 in April of 2025 finalized the purchase option.

Right to Use Assets – The City entered into agreements to lease copiers and vehicles that qualify as other than short-term leases under GASB Statement No. 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date of the leases.

They are amortized systematically over the shorter period of the lease term or the useful life of the asset. Activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Increases	Decrease	Ending Balance
Right to Use Assets				
Leased equipment	$ 115,108	$ -0-	$ -0-	$ 115,108
Leased vehicles	430,454	-0-	-0-	430,454
Less. Accumulated Amortization for:				
Leased equipment	$ 69,048	23,016	-0-	92,064
Leased vehicles	200,872	86,088	-0-	286,960
Right to Use Assets, Net	$ 275,642	$ (109,104)	$ -0-	$ 166,538

Lease Receivables – The City executed a lease agreement for office space through June of 2027. Rent revenues of $1,200 per month are expected. This lease falls under the auspices of GASB Statement No. 87, and therefore, has been recorded at the present value of future lease payments expected to be received during the lease term. A corresponding deferred inflow of resources has also been reported and will be systematically amortized over the lease term. Activity reported on the government-wide financial statements for the year ended June 30, 2025, was as follows:

	Beginning Balance	Increases	Decrease	Ending Balance
Lease Receivable	$ 41,107	$ -0-	$ 13,315	$ 27,792
Deferred Inflows of Resources Related to Leases	$ 41,107	$ -0-	$ 13,704	$ 27,403

At the fund level, the rental payments received are reported as revenue which for the year ended June 30, 2025, was $14,400.

NOTE 10 - LONG-TERM DEBT

Leases – The City entered into agreements to lease copiers and vehicles that qualify as other than short-term leases under GASB Statement No. 87. They have been entered as a non-current asset, net of amortization, on the government-wide statement of net position. Additionally, lease liability has been recorded distinguishing between the current and long-term portion of the lease obligation.

The copier lease was executed on July 1, 2021, requiring 60 monthly payments of $2,085. Variable components include excess copy fees. The lease liability is measured at a discount rate of 3.33%, the stated APR. As a result of this lease, the City recorded an initial liability of $115,108.

The vehicles lease was executed on 3/1/2022, requiring 60 monthly payments of $7,775. There are no variable components of this lease. The lease liability is measured at a discount rate of 3.33% as well. As a result of this lease, the City recorded an initial liability of $430,446.

In the current year, principal payments of $118,320 were made leaving a balance of $175,306 due on June 30, 2025, maturing in June of 2026 and February of 2027. The long-term portion of the right to use leased assets liability totals $66,202.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025, are as follows:

Year Ending June 30	Principal Payments	Interest Payments	Total
2026	$ 109,104	$ 4,096	$ 113,200
2027	66,202	769	66,971
	$ 175,306	$ 4,865	$ 180,171

Other long-term obligations are summarized below for the year ended June 30, 2025:

	Beginning July 1, 2024	Additions	Reductions	Balance June 30, 2025	Amount Due Within One Year
Governmental Activities:					
Claims/judgments	$ 75,000	$ -	$ -	$ 75,000	$ -0-
Compensated absences	633,772	-	122,467	511,305	-0-
Capital lease	1,064,394	-	1,064,394	-	-0-

Net OPEB	4,229,333	223,458	-	4,452,791	-0-
Net pension liability	10,815,427	-	203,326	10,612,101	-0-
Totals	$ 16,817,926	$ 223,458	$ 1,390,187	$ 15,651,197	$ -0-
Business-Type Activities:					
Compensated absence	$ 40,649	$ 4,946	$ -	$ 45,595	$ -0-
		-			
Revenue bonds 2021	5,975,000	-	190 000	5,785,000	195,000
Net OPEB	1,033,804	27,309	-	1,061,113	-0-
Net pension liability	1,064,242	-	105,343	958,899	-0-
Totals	$ 8,113,695	$ 32,255	$ 295,343	$ 7,850,607	$ 195,000

The individual bond issues and loan agreements are as follows:

Bond Issue/Loan Agreement	Original Issue Amount	Interest Rate	Principal Outstanding June 30, 2025	Interest to Maturity	Maturity Date
Revenue Bonds Series 2021	$ 6,340,000	2% -3%	$ 5,785,000	$1,806,388	7/2046

The payments due under the terms of this obligation as of June 30, 2025, are scheduled to occur as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2026	$ 195,000	$ 148,900	$ 343,900
2027	200,000	143,050	343,050
2028	210,000	137,050	347,050
2029	215,000	130,750	345,750
2030	220,000	124,300	344,300
2031-2035	1,195,000	525,850	1,720,850
2036-2040	1,340,000	385,850	1,725,850
2041-2045	1,540,000	187,913	1,727,913
2046-2047	670,000	22,725	692,725
	$ 5,785,000	$ 1,806,388	$ 7,591,388

NOTE 11 – RELATED PARTY TRANSACTIONS

There were no related party transactions that required disclosure.

NOTE 12 - RISK MANAGEMENT

Claims and Judgements

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. It attempts to minimize risk from significant losses by binding insurance coverage through a public entity risk pool of Louisiana local governments and private insurance companies. Premiums paid are recognized as expenditures when paid. Losses exceeding coverage or uninsured claims are not expected to materially impact the City.

Paragraph 110 of Section C50 GASB *Codification of Governmental Accounting and Financial Reporting Standards* requires the accrual of a loss contingency if it is probable that an asset has been impaired or a liability incurred, whether it has been reported or not, and that the amount of the loss can be reasonably estimated. Claims have been made against the City that expose it to losses that could be material to its financial position if an unfavorable outcome were to occur and insurance coverage is insufficient. However, no estimate can be made of such losses as of the date these financial statements are issued. The amount of $75,000 has been recorded as long-term obligation on the Government-wide Statement of Net Position for estimated deductibles on claims and judgements for risk management purposes.

NOTE 13 - CONTINGENCIES

The City is the recipient of both federal and state grants and awards. These grants and awards are governed by various requirements, guidelines, regulations, and contractual agreements. The administration of the programs and activities funded by these grants and awards is under the control of the City and is subject to audit and review by the applicable funding sources. Any grant or award found not to be properly spent in accordance with the requirements, guidelines, regulations, and contractual agreements of the funding sources may be subject to recapture.

NOTE 14 - DEFICIT FUND BALANCES

The General Fund had a deficit fund balance on June 30, 2025, of $2,981,169. This is a result of capital projects initiated or completed during the year and is expected to reverse over the next two years.

The Cemetery Fund had a deficit net position of $619,566 on June 30, 2025. Of this amount, $268,214 or 43.29% is attributable to reporting post-employment benefits and net pension liabilities based on actuarial assumptions. The remaining cause is the sale of pre-need vaults, markers and interments that are recognized as unearned revenue on the statement of net position as opposed to revenue on the statement of activities. To absolve the deficit net position, sales prices increased for plots and interments in the preceding year. The deficit decreased in the current year by 2%. Management will continue to deposit 70% of all pre-need sales into a trust to be utilized towards the expense of future obligations related to burials.

The City Parish Sewer Revenue Fund had a deficit net position of $391,519 on June 30, 2025. Excess funds are transferred out of this fund for governmental activities when available. The budgeted transfer was more than funds available at year-end that will be rectified in the subsequent year.

NOTE 15 – ADJUSTMENTS TO BEGINNING NET POSITION OR FUND BALANCES

Changes to or within the reporting entity resulted in adjustments to and restatements of beginning net position and fund balances as follows:

	Previously Reported	Change To	Correction	Restated
Government-Wide				
Governmental Activities	$ 13,142,721	$ (920,613)	$ -	$ 12,222,108
Business-type Activities	9,152,870	-	139,447	9,292,317
Total Primary Government	22,295,591	(920,613)	139,447	21,514,425
Governmental Funds				
General Fund	(631,425)	500,000	-	(131,425.00)
Proprietary Funds				
Cemetery Fund	(654,960)	-	139,447	(515,513)

The City recorded a receivable from East Baton Rouge Parish government of $500,000 to be used towards construction of a fire station. Construction is not anticipated within the next year, so the receivable was reversed.

The City exercised its lease purchase option for four fire engines during the current year. The depreciation expense from the lease inception through June 30, 2024, was charged at an amount equal to $420,613.

The Cemetery Fund recognizes a liability when goods or services are purchased prior to need. There was $139,447 in goods and services identified in the current year that had been previously provided.

NOTE 16 – ACCOUNTING PRONOUNCEMENTS

Accounting Pronouncement Implemented –
GASB Statement No. 101 Compensated Absences – This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and for leave that has been used but not yet paid. The liability should be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid or settled. This Statement also establishes guidance for measuring the liability for leave that has been used, generally using an employee's pay rate as of the date of the financial statements. This Statement is effective for fiscal years beginning after December 15, 2023, and the City has included the requirements as applicable. This implementation had no material impact on the financial statements as of June 30, 2025.

GASB Statement No. 102 Certain Risk Disclosures – This Statement requires governments to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. It further requires consideration of whether associated event(s) that could cause a substantial impact to have occurred, have begun to occur or are more likely than not to begin to occur within 12 months of the date this annual report is issued. Management does not anticipate such events and, as a result, this implementation had no material impact on the financial statements as of June 30, 2025.

Accounting Pronouncements Not Yet Implemented –
GASB Statement No. 103 Financial Reporting Model Improvements – Effective for the subsequent year, the objective of this statement is to improve key components of the financial reporting model.

1. Managements' Discussion & Analysis – information presented will be limited to related topics discussed in five sections: (1) overview of the financial statements, (2) financial summary, (3) detailed analyses, (4) significant capital asset and long-term financing activity, and (5) currently known facts, decisions or conditions.
2. Unusual or Infrequent Items – inflows and outflows related to each unusual or infrequent item will be separately stated.
3. Presentation of Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position – distinction between operating and non-operating revenues and expenses will continue and a subtotal for operating income (loss) and non-capital subsidies will be presented before reporting other non-operating revenues and expenses.
4. Major Component Unit Information – each major component unit will be separately reported in the statement of net position and statement of activities provided doing so will not reduce the statements readability. In that case, combining statements of major component units may be presented after the fund financial statements.
5. Budgetary Comparison Information – variances between original and final budgets will be presented along with current reporting of variances between final budget and actual amounts. An explanation of significant variances will be required.

GASB Statement No 104 Disclosure of Certain Capital Assets – Effective for the subsequent year, this statement will be requiring certain types of capital assets be disclosed separately in the capital assets note disclosures including lease assets, intangible right-to-use assets, subscription-based information technology and public-private and public-public partnerships and availability payment arrangements.

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

NOTE 17 - SUBSEQUENT EVENTS

Management evaluates events occurring after the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect financial statements. Subsequent events have been evaluated through April 30, 2026, the date on which the financial statements were available to be issued.

There are no such events included in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BAKER, LOUISIANA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
REVENUES				
Intergovernmental	$ 64,508	$ 64,508	$ 68,285	$ 3,777
Taxes:				
Sales	5,500,000	5,750,000	5,752,439	2,439
Franchise	905,000	805,000	770,713	(34,287)
Property	615,000	515,000	493,039	(21,961)
Hotel/Motel	84,000	79,000	76,030	(2,970)
Other	209,800	224,800	229,861	5,061
Charges for services	3,013,800	2,548,800	2,025,482	(523,318)
Licenses and permits	844,250	544,250	492,455	(51,795)
Fines and forfeitures	115,000	215,000	271,332	56,332
Grants and other contributions	3,605,000	3,064,800	389,086	(2,675,714)
Investment income, net	300,000	(168,000)	(400,045)	(232,045)
Other revenues	406,000	906,000	869,356	(36,644)
Total Revenues	15,662,358	14,549,158	11,038,033	(3,511,125)
EXPENDITURES				
Current function:				
General government	2,826,708	2,776,207	2,703,616	72,591
Public safety	6,942,500	7,306,500	7,312,310	(5,810)
Public works	3,952,275	3,927,525	3,783,865	143,660
Economic/recreational development	495,950	771,201	749,382	21,819
Debt service:				
Principal	1,000,000	1,100,000	1,097,284	2,716
Capital outlay	10,654,200	850,000	840,098	9,902
Total Expenditures	25,871,633	16,731,433	16,486,555	244,878
Deficiency of Revenues over Expenditures	(10,209,275)	(2,182,275)	(5,448,522)	(3,266,247)

Continued

CITY OF BAKER, LOUISIANA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	$ -	$ -	$ 250	$ 250
Proceeds from recoveries	-	-	144,569	144,569
Transfers, net	2,473,925	3,723,925	3,453,959	(269,966)
Net Other Financing Sources (Uses)	2,473,925	3,723,925	3,598,778	(125,147)
Net Change in Fund Balance	(7,735,350)	1,541,650	(1,849,744)	(3,391,394)
FUND BALANCE				
Beginning of year, as adjusted	(631,425)	(631,425)	(1,131,425)	(500,000)
End of year	$ (8,366,775)	$ 910,225	$ (2,981,169)	$ (3,891,394)

See accompanying independent auditor's report and note to budgetary comparison schedule.

CITY OF BAKER, LOUISIANA
STREET FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
REVENUES				
Taxes:				
Sales	$ 2,600,000	$ 2,600,000	$ 2,284,066	$ (315,934)
Investment income, net	-	-	5,490	5,490
Total Revenues	2,600,000	2,600,000	2,289,556	(310,444)
EXPENDITURES				
Current function:				
Public works	544,590	544,590	537,782	6,808
Capital outlay	708,500	708,500	9,575	698,925
Total Expenditures	1,253,090	1,253,090	547,357	705,733
Net Change in Fund Balance	1,346,910	1,346,910	1,742,199	395,289
FUND BALANCE				
Beginning of year	7,777,414	7,777,414	7,777,414	-
End of year	$ 9,124,324	$ 9,124,324	$ 9,519,613	$ 395,289

See accompanying independent auditor's report and note to budgetary comparison schedule.

CITY OF BAKER, LOUISIANA
CITY COURT FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
REVENUES				
Charges for services	$ 40,000	$ 40,000	$ 34,960	$ (5,040)
Fines and forfeitures	124,000	124,000	132,521	8,521
Investment income, net	-	-	4,131	4,131
Other revenues	500	500	590	90
Total Revenues	164,500	164,500	172,202	7,702
EXPENDITURES				
Current function:				
Public safety	186,000	186,000	171,017	14,983
Total Expenditures	186,000	186,000	171,017	14,983
Net Change in Fund Balance	(21,500)	(21,500)	1,185	22,685
FUND BALANCE				
Beginning of year	1,406,584	1,406,584	1,406,584	-
End of year	$ 1,385,084	$ 1,385,084	$ 1,407,769	$ 22,685

See accompanying independent auditor's report and note to budgetary comparison schedule.

CITY OF BAKER, LOUISIANA
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	$ 188,597	$ 188,596	$ 188,596	$ 273,796	$ 273,796	$ 143,559	$ 143,559	$ 138,197
Interest	177,272	177,272	177,272	146,572	145,440	232,172	225,208	229,266
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(86,973)	(86,973)	-	(511,345)	(55,104)	(240,891)	-	-
Changes of assumptions	(28,129)	(28,129)	-	(1,203,940)	-	739,217	-	-
Benefit payments and net transfers	-	-	(235,043)	(363,898)	(372,145)	(331,865)	(333,845)	(333,845)
Net Change in Total OPEB Liability	250,767	250,766	130,825	(1,658,815)	(8,013)	542,192	34,922	33,618
Total OPEB liability - beginning	5,263,137	5,012,371	4,881,546	6,540,361	6,548,374	6,006,182	5,971,260	5,937,642
Total OPEB liability - ending	$ 5,513,904	$ 5,263,137	$ 5,012,371	$ 4,881,546	$6,540,361	$6,548,374	$6,006,182	$5,971,260
Covered-employee payroll	$ 4,302,807	$ 4,302,807	$ 4,302,807	$ 3,723,219	$3,723,219	$3,723,219	$2,856,794	$2,856,794
Net OPEB liability as a percentage of covered-employee payroll	128.15%	122.32%	117.77%	114.73%	175.66%	175.88%	210.24%	209.02%

NOTES TO SCHEDULE:

Benefit Changes. There were no changes of benefit terms for the year ended June 30, 2025.

Changes of Assumptions. There were no changes of assumptions for the year ended June 30, 2025.

(This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.)

CITY OF BAKER, LOUISIANA
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
COST SHARING PLANS ONLY
YEAR ENDED JUNE 30, 2025

Pension Plan:	Year	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Municipal Employees' Retirement System of Louisiana						
	2025	1.4782%	$ 3,388,546	$ 3,072,454	110.2879%	83.47%
	2024	0.4368%	3,957,607	1,331,676	297.1899%	78.32%
	2023	1.4859%	4,132,897	3,556,353	116.2117%	77.82%
	2022	1.4859%	4,133,036	3,486,621	118.5399%	77.82%
	2021	1.4859%	4,133,036	2,573,367	160.6081%	77.82%
	2020	1.4680%	6,347,162	2,661,452	238.4849%	64.52%
	2019	1.2524%	5,185,818	1,912,812	271.1097%	63.94%
	2018	1.2002%	5,020,738	2,179,327	230.3802%	62.49%
	2017	1.1928%	4,889,113	2,130,577	229.4737%	63.34%
	2016	1.1890%	4,247,287	2,007,317	211.5902%	66.18%
	2015	1.1392%	2,923,588	2,068,064	141.3684%	73.99%
Municipal Police Employees' Retirement System						
	2025	0.3526%	2,434,972	1,321,767	184.2210%	81.94%
	2024	0.4368%	3,957,607	1,351,183	292.8994%	78.32%
	2023	0.4696%	4,960,992	1,899,449	261.1806%	70.79%
	2022	0.4696%	4,800,146	1,808,999	265.3482%	70.80%
	2021	0.5020%	2,675,934	1,394,187	191.9351%	84.08%
	2020	0.4084%	3,709,210	1,330,065	278.8743%	71.01%
	2019	0.4196%	3,547,180	1,131,477	313.5000%	71.89%
	2018	0.3519%	3,072,201	1,127,457	272.4894%	70.08%
	2017	0.4622%	4,331,732	1,307,803	331.2221%	66.04%
	2016	0.4507%	3,530,395	1,221,242	289.0823%	70.73%
	2015	0.4996%	312,595	1,060,968	29.4632%	75.10%
Firefighters' Retirement System						
	2025	0.5611%	2,363,216	1,731,630	136.4735%	86.96%
	2024	0.1059%	3,254,762	1,444,618	225.3026%	81.68%
	2023	0.5523%	2,043,316	1,407,667	145.1563%	77.69%
	2022	0.5009%	1,775,115	1,544,226	114.9518%	74.68%
	2021	0.5009%	1,775,115	1,305,876	135.9329%	86.78%
	2020	0.3890%	2,436,102	1,071,357	227.3847%	73.96%
	2019	0.3628%	2,086,641	919,893	226.8352%	74.76%
	2018	0.3657%	2,096,172	860,440	243.6163%	73.55%
	2017	0.3744%	2,449,039	851,681	287.5536%	68.16%
	2016	0.3589%	1,936,899	775,444	249.7794%	72.45%
	2015	0.3640%	1,619,831	702,846	230.4674%	76.02%

Continued

CITY OF BAKER, LOUISIANA
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
COST SHARING PLANS ONLY (Continued)
YEAR ENDED JUNE 30, 2025

Pension Plan:	Year	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Louisiana State Employees' Retirement System						
	2025	0.0000%	-	-	0.0000%	79.30%
	2024	0.0014%	299,669	107,520	278.7100%	68.40%
	2023	0.0045%	342,834	107,520	318.8553%	63.70%
	2022	0.0044%	243,826	107,520	226.7723%	72.80%
	2021	0.0038%	314,285	107,520	292.3035%	58.01%
	2020	0.1310%	303,924	105,412	288.3204%	62.90%
	2019	0.4190%	379,119	103,345	366.8479%	64.30%
	2018	0.0042%	397,553	97,325	408.4798%	62.50%
	2017	0.0042%	439,194	99,076	443.2900%	57.70%
	2016	0.0032%	305,659	86,670	352.6699%	62.70%
	2015	0.0038%	343,846	83,875	409.9505%	65.00%

NOTES TO SCHEDULE:

Measurement Date Amounts presented have a measurement date of June 30th of the previous fiscal year.

CITY OF BAKER, LOUISIANA
SCHEDULE OF CONTRIBUTIONS TO EACH RETIREMENT SYSTEM
COST SHARING PLANS ONLY
YEAR ENDED JUNE 30, 2025

Year	Contractually Required Contribution	Contribution in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Employee Payroll
Municipal Employees' Retirement System of Louisiana					
2025	$ 860,287	$ 860,287	$ -	$ 3,072,454	28.0000%
2024	930,820	930,820	-	1,331,676	69.8984%
2023	848,840	848,840	-	3,556,353	23.8683%
2022	878,594	878,594	-	3,486,621	25.1990%
2021	868,512	868,512	-	2,573,367	33.7500%
2020	778,664	778,664	-	2,661,452	29.2571%
2019	671,326	671,326	-	2,582,023	26.0000%
2018	473,421	473,421	-	1,912,812	24.7500%
2017	495,797	495,797	-	2,179,327	22.7500%
2016	420,789	420,789	-	2,130,577	19.7500%
2015	376,372	376,372	-	2,007,317	18.7500%
Municipal Police Employees' Retirement System					
2025	470,549	470,549	-	1,321,767	35.6000%
2024	522,405	522,405	-	1,351,183	38.6628%
2023	427,520	427,520	-	1,899,449	22.5076%
2022	431,867	431,867	-	1,808,999	23.8733%
2021	470,538	470,538	-	1,394,187	33.7500%
2020	411,342	411,342	-	1,330,065	30.9265%
2019	375,683	375,683	-	1,164,909	32.2500%
2018	359,244	359,244	-	1,131,477	31.7500%
2017	357,968	357,968	-	1,127,457	31.7500%
2016	385,802	385,802	-	1,307,803	29.5000%
2015	378,585	378,585	-	1,221,242	31.0000%
Firefighters' Retirement System					
2025	575,767	575,767	-	1,731,630	33.2500%
2024	552,317	552,317	-	1,444,618	38.2327%
2023	494,237	494,237	-	1,407,667	35.1104%
2022	405,201	405,201	-	1,544,226	26.2397%
2021	421,145	421,145	-	1,305,876	32.2500%
2020	249,783	249,783	-	1,071,357	23.3146%
2019	260,378	260,378	-	982,558	26.5000%
2018	232,273	232,273	-	919,893	25.2500%
2017	217,261	217,261	-	860,440	25.2500%
2016	232,083	232,083	-	851,681	27.2500%
2015	219,063	219,063	-	775,444	28.2500%

Continued

CITY OF BAKER, LOUISIANA
SCHEDULE OF CONTRIBUTIONS TO EACH RETIREMENT SYSTEM
COST SHARING PLANS ONLY (Continued)
YEAR ENDED JUNE 30, 2025

Year	Contractually Required Contribution	Contribution in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Employee Payroll
Louisiana State Employees' Retirement System					
2025	-	-	-	-	
2024	11,450	11,450	-	107,520	10.6492%
2023	45,410	45,410	-	107,520	42.2339%
2022	37,823	37,823	-	107,520	35.1776%
2021	36,172	36,172	-	107,520	33.6421%
2020	33,932	33,932	-	105,412	32.1899%
2019	44,724	44,724	-	112,939	39.6000%
2018	40,408	40,408	-	103,345	39.1001%
2017	38,054	38,054	-	97,325	39.0999%
2016	37,748	37,748	-	99,076	38.1000%
2015	35,967	35,967	-	86,670	41.4988%

(This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.)

NOTE 1 - NET PENSION LIABILITY

Changes in Benefit Terms:

Municipal Employees' Retirement System (MERS)

No Changes

Municipal Police Employees' Retirement System (MPERS)

No Changes

Firefighters' Retirement System (FRS)

No Changes

Louisiana State Employees' Retirement System (LASERS)

No Changes

Changes in Assumptions:

Municipal Employees' Retirement System (MERS)

The investment rate of return remained at 6.85%. The inflation rate remained the same at 2.5%.

Municipal Police Employees' Retirement System (MPERS)

The investment rate of return increased to 6.75%. The inflation rate remained the same at 2.5%.

Firefighters' Retirement System (FRS)

The investment rate of return remained at 6.9%. The inflation rate remained the same at 2.5%.

Louisiana State Employees' Retirement System (LASERS)

The investment rate of return remained the same at 7.25%. The inflation rate remained the same at 2.3%.

SUPPLEMENTARY INFORMATION

CITY OF BAKER, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

Award Information	Federal Assistance Listing Number	Pass Through Entity Name	Pass Through Entity Number	Federal Expenditures
Other Programs (treated individually for major program determination)				
U.S. Department of Housing and Urban Development				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	La Office of Community Development	200687496	$ 105,425
HOME Investment Partnerships Act	14.239	La Office of Community Development	200687496	1,317
Total U.S. Dept of Housing and Urban Development				106,742
U.S. Dept of Justice				
Edward Byrne Memorial Justist Assistance Grant Program (JAG)	16.738	La Commission on Law Enforcement	7179	13,366
U.S. Dept of the Treasury				
Coronavirus State and Local Fiscal Recovery Funds (COVID-19)	21.027	La Office of Community Development	200687496	432,406
U.S. Dept of Homeland Security - Federal Emergency Management Agency				
Hazard Mitigation Grant Program (HMGP)	97.039	Governor's Office of Homeland Security and Emergency Preparedness		410,587
Public Assistance Program	97.036	Governor's Office of Homeland Security and Emergency Preparedness		1,703
Total U.S. Dept of Homeland Security				412,290
Total Expenditure of Federal Awards				$ 964,804

The accompanying notes are an integral part of this schedule.

CITY OF BAKER, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of Baker, Louisiana under programs of the federal government for the year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements for *Title 2 of U.S. Federal Regulations Part 200, Uniform Requirements, Cost Principles and Requirements for Federal Awards (Uniform Guidance).*

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in *Uniform Guidance* , wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where avaiable.

Note 3 - Indirect Cost Rule

The City of Baker, Louisiana has elected to not use the 10% de minimis indirect cost rate as allowed under the *Uniform Guidance* .

CITY OF BAKER, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO THE AGENCY HEAD
YEAR ENDED JUNE 30, 2025

Agency Head Darnell Waites
Title Mayor

Purpose		**Amount**
Salary	$	102,750
Benefits:		
Retirement		30,251
Insurance - dental		632
Expense account		2,400
Total Compensation, Benefits and Other Payments	$	136,033

See Accompanying Independent Auditor's Report.

CITY OF BAKER, LOUISIANA
SCHEDULE OF JUSTICE SYSTEM FUNDING - COLLECTING/DISBURSEMENT ENTITY
As Required by Act 87 of the 2020 Regular Legislative Session
Cash Basis Presentation
YEAR ENDED JUNE 30, 2025

	First 6 Mths Ended 12/31/2024	Second 6 Mths Ended 6/30/2025
Beginning Balance of Amounts Collected	$ 409,936	$ 417,586
Add: Collections		
Civil fees	67,001	98,621
Interest earnings on collected balances	25	32
Total Collections	67,026	98,653
Less: Disbursements to Governments & Non-Profits		
Louisiana State Treasurer - Judges' supp fees	6,634	8,998
Louisiana Supreme Court	113	152
Louisiana Division of Administration	30	30
East Baton Rouge Sheriff	0	96
Marshal - City of Baker Police	2,470	3,680
Baker City Court - building fees	2,250	3,050
Baker City Court - Judge's fees	47,879	69,872
Less: Amounts Retained by Collecting Agency		
Collection fees for collecting/disbursing to others based on percentage	-	-
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil fee refunds	-	-
Restitution payments to indviduals	-	-
Other payments to individuals	-	-
Total Disbursements/Retainage	59,376	85,878
Total Ending Balance of Amounts Collected but not Disbursed/Retained	$ 417,586	$ 430,361

See Accompanying Independent Auditor's Report.

CITY OF BAKER, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO COUNCIL MEMBERS
YEAR ENDED JUNE 30, 2025

District	Council Member	Salary	Expense Account	Total
1	Charles Vincent	$ 10,200	$ 4,800	$ 15,000
2	Rochelle Dunn	10,200	4,800	15,000
3	Desiree Collins	10,200	4,800	15,000
4	Robert Young	10,200	4,800	15,000
5	Cedric Murphy	10,200	4,800	15,000
	Total Compensation	$ 51,000	$ 24,000	$ 75,000

See Accompanying Independent Auditor's Report.

OTHER INFORMATION

CITY OF BAKER, LOUISIANA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	1/2 Cent Special Tax Police	1/2 Cent Special Tax Fire	911 Communications	Marshal & Police Operations	Total Non-Major Governmental Funds
ASSETS					
Cash and cash equivalents	$ -	$ -	$ -	$ 27,449	$ 27,449
Restricted assets:					
Cash and cash equivalents	678	6,192	43,062	122,231	172,163
Receivables - taxes	110,340	110,340	-	-	220,680
TOTAL ASSETS	$ 111,018	$ 116,532	$ 43,062	$ 149,680	$ 420,292
LIABILITIES					
Accounts payable	$ -	$ -	$ 567	$ 114,369	$ 114,936
Accrued liabilities	-	-	627	-	627
Total Liabilities	-	-	1,194	114,369	115,563
FUND BALANCES					
Restricted	111,018	116,532	41,868	1,089	270,507
Assigned	-	-	-	34,222	34,222
Total Fund Balances	111,018	116,532	41,868	35,311	304,729
TOTAL LIABILITIES AND FUND BALANCES	$ 111,018	$ 116,532	$ 43,062	$ 149,680	$ 420,292

See Accompanying Independent Auditor's Report

CITY OF BAKER, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	1/2 Cent Special Tax Police	1/2 Cent Special Tax Fire	911 Communications	Marshal & Police Operations	Total Non-Major Governmental Funds
REVENUES					
Taxes - sales	$ 777,110	$ 657,110	$ -	$ -	$ 1,434,220
Charges for services	-	-	335,253	28,531	363,784
Criminal fees and fines	-	-	-	41,822	41,822
Investment income, net	1,543	1,281	-	2,082	4,906
Other revenues	-	-	-	-	-
Total Revenues	778,653	658,391	335,253	72,435	1,844,732
EXPENDITURES					
General government	-	-	-	14,050	14,050
Community development	-	-	-	16,207	16,207
Public safety	6,563	5,675	402,547	47,910	462,695
Total Expenditures	6,563	5,675	402,547	78,167	492,952
Excess (Deficiency) of Revenues over Expenditures	772,090	652,716	(67,294)	(5,732)	1,351,780
OTHER FINANCING SOURCES (USES)					
Grants and other contributions	-	-	-	10,344	10,344
Transfers in (out), net	(1,140,000)	(965,000)	121,075	-	(1,983,925)
Other Financing Sources (Uses), net	(1,140,000)	(965,000)	121,075	10,344	(1,973,581)
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(367,910)	(312,284)	53,781	4,612	(621,801)
Fund balances, beginning of year	478,928	428,816	(11,913)	30,699	926,530
FUND BALANCES, end of year	$ 111,018	$ 116,532	$ 41,868	$ 35,311	$ 304,729

See Accompanying Independent Auditor's Report

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA
Deidre L. Stock, CPA

Of Counsel
C. Burton Kolder, CPA*

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA - retired 2022
Gerald A. Thibodeaux, Jr., CPA* - retired 2024

* A Professional Accounting Corporation

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

450 E. Main St.
New Iberia, LA 70560
Phone (337) 367-9204

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

1201 David Dr.
Morgan City, LA 70380
Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

WWW.KCSRCPAS.COM

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

To the Honorable Darnell Waites, Mayor,
and the Members of the City Council
Baker, Louisiana

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

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified deficiencies in internal control described in the accompanying schedule of findings and questioned costs as items 2025-001 to 2025-003 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2025-004 to 2025-006.

City of Baker'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 current and prior year audit findings and management's corrective action plan. The City's response was not subject 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. However, 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

Abbeville, Louisiana
April 30, 2026

KOLDER, SLAVEN & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA
Deidre L. Stock, CPA

Of Counsel
C. Burton Kolder, CPA*

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA - retired 2022
Gerald A. Thibodeaux, Jr., CPA* - retired 2024

* A Professional Accounting Corporation

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

450 E. Main St.
New Iberia, LA 70560
Phone (337) 367-9204

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

1201 David Dr.
Morgan City, LA 70380
Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

WWW.KCSRCPAS.COM

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Darnell Waites, Mayor,
and the Members of the City Council
Baker, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Baker's (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2025-007. Our opinion on each major federal program is not modified with respect to this matter.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were no identified.

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

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, 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

Abbeville, Louisiana
April 30, 2026

CITY OF BAKER
Baker, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Part I. Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	__X__ No
Significant deficiencies identified?	__X__ Yes	_____ None reported
Noncompliance material to financial statements noted?	__X__ Yes	_____ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	_____ Yes	__X__ No
Significant deficiencies identified?	_____ Yes	__X__ None reported

Type of auditor's report issued on compliance for major programs. Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	__X__ Yes	_____ No

Major programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds – COVID 19

Dollar threshold used to distinguish between type A and type B programs: $750,000

Auditee qualified as low-risk auditee?	_____ Yes	__X__ No

Part II. Findings which are required to be reported in accordance with generally accepted *Governmental Auditing Standards*.

A. Internal Control Findings –

2025-001 Inadequate Segregation of Accounting Functions Within the Police Department

Criteria: Committee of Sponsoring Organizations (COSO) *Internal Control Integrated Framework* and the Louisiana Legislative Auditor's *Government Auditing Guide*.

Condition: The City did not have adequate segregation of functions within the accounting system at the police department.

Cause: The City does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

Effect: Failure to adequately segregate accounting and financial functions increases the risk that errors or irregularities including fraud may occur and not be prevented or detected.

Recommendation: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

View of Responsible Official: *Management will reassign duties among people available within the City of Baker and outside accountant currently performing reconciliations to ensure that duties are adequately segregated for stronger internal control.*

2025-002 Cash and Interfund Reconciliations

Criteria: Interfund activity and internal fund balances including pooled cash balances must be properly recorded and reconciled to ensure accurate presentation of fund financial statements.

Condition: At year end, the City reported significant outstanding interfund receivable and payable balances that had accumulated over multiple reporting periods and were not settled in a timely manner. In addition, the City operates under a pooled cash system, whereby cash from multiple funds is commingled for liquidity purposes. Due to the unresolved interfund balances and the pooled cash structure, certain funds with restricted resources may have temporarily financed the operations of other funds, creating a risk that restricted resources were used for unauthorized purposes.

Cause: The City does not have sufficient policies or procedures governing interfund transactions and settlement timelines.

Effect: There is an increased risk of improper interfund borrowing, including the potential use of restricted funds for unauthorized purposes, misstatement of interfund assets and liabilities and reduced transparency of available resources in each fund.

Recommendation: The City should establish formal policies and procedures for reconciling interfund transactions and pooled cash balances and establishing timelines for repayment of balances.

<u>View of Responsible Officials:</u> Management is aware and has reported pooled cash balances among funds resulting from numerous projects at various levels of completion by the General, Streets and Utility Funds. Timelines for repayment of these balances will be finalized and reviewed periodically by management

2025-003 <u>Internal Controls over Payroll</u>

Criteria: Effective internal control over payroll requires proper segregation of duties between personnel responsible for payroll preparation, approval, processing, and reconciliation, as well as appropriate supervisory review for accuracy and reasonableness.

Condition: During our review of the payroll process, we noted that key payroll functions were not adequately segregated. Additionally, certain payrolls were processed without sufficient documented supervisory approval of accuracy and reasonableness.

Cause: These conditions were caused primarily by the absence of or failure to follow formalized payroll control policies.

Effect: The lack of adequate segregation of duties and review increases the risk that payroll errors, unauthorized payments, or fraudulent activity could occur and remain undetected.

Recommendation: The City should implement or enforce controls over payroll processing, including independent review of payroll registers for accuracy and reasonableness, and periodic reconciliations performed by individuals independent of payroll preparation.

<u>View of Responsible Officials:</u> Controls and processes for payroll have been discussed with the applicable departments, and new procedures have been created to ensure compliance.

B. Compliance Findings –

2025-004 <u>Late Report Issuance</u>

Criteria: R.S. 24:513 requires that audits be completed within six months of the close of the City's fiscal year.

Condition: The City failed to submit its annual financial report to the Legislative Auditor's Office by the statutory deadline.

Cause: The City was unable to meet established deadlines in coordinating document requests and providing responses to the auditors to allow for timely completion of the audit

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

Recommendation: The City should take the necessary steps to ensure that all financial records are accurate and made available to the City's auditors well in advance of the statutory deadline to allow for timely completion of the audit.

Views of Responsible Officials: *The City recognizes the delay in securing an approved auditor and has taken steps to ensure timely filing in the subsequent year.*

2025-005 Bond Compliance

Criteria: Compliance requirements stipulated in outstanding bond issuances.

Condition: The City did not make required continuing disclosures related to their outstanding bonds on the MSRB reporting website

Cause: The City failed to submit required continuing disclosures.

Effect: The City may not have complied with their bond requirements and may be subject to various default provisions stipulated in the bond agreement.

Recommendation: The City should work with its bond counsel or other advisors to ensure the required compliance elements are met.

Views of Responsible Officials: *Management has contacted its bond trustees to determine responsibility for filing compliance*

2025-006 Budget Compliance

Criteria: LSA-RS 39:1311 et seq, Budgetary Authority and Control, provides for amending the budget when total revenue plus projected revenue are failing to meet total budgeted revenues by 5% or more.

Condition: A budget variance in excess of 5% occurred in the General Fund and Street Fund.

Cause: The condition is a result of failure to properly amend the budget as required by state statutes.

Effect: The City may not prevent and/or detect compliance violations due to under receipt or over expending of the appropriated budget and errors or irregularities on a timely basis.

Recommendation: The City should periodically compare actual activity to budgeted amounts and adopt budgetary amendments as necessary to cause compliance with state statute.

Views of Responsible Officials: *Management reviews budget to actual on a monthly basis but has targeted the date for future amendments to be completed before year-end.*

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in 2 CFR section 200 of the Uniform Guidance:

2025-007 **Late Report Submission**

Fiscal Year Finding Initially Occurred 2024

Criteria: OMB Uniform Guidance requires submission of the Single Audit reporting package to the Federal Audit Clearinghouse within nine months after fiscal year-end.

Condition: The City did not submit its Single Audit reporting package by the required deadline.

Cause: Delays in financial reporting and audit completion contributed to the late submission.

Effect: Late submission places the City at risk of federal funding sanctions, increased monitoring, and potential withholding of future grant awards.

Recommendation: The City should implement separate internal deadlines for Single Audit preparation and ensure coordination between financial reporting and grant compliance staff.

Views of Responsible Officials. *The City recognizes the delay in securing an approved auditor and has taken steps to ensure timely filing in the subsequent year.*

CITY OF BAKER
Baker, Louisiana

Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2025

Findings which are required to be reported in accordance with generally accepted *Governmental Auditing Standards*:

A. Internal Control Findings –

None reported.

B. Compliance Findings –

2024-001 Untimely Submission of Financial Audit Report by Due Date

Fiscal Year Finding Initially Occurred: 2024

Condition: The City of Baker did not meet the June 30, 2024, statutory deadline for reporting the required annual audit to the State of Louisiana.

Corrective Action Taken: After the submission of the 2024 audit, the City began searching for and contracted with a new CPA firm to perform the financial statement audit. The City and Auditor are working together to complete the audit timely.

Findings and questioned costs for Federal awards which include audit findings as defined in 2 CFR section 200 of the Uniform Guidance:

2024-002 Untimely Submission of Audit Report to the Federal Audit Clearinghouse

Fiscal Year Finding Initially Occurred: 2024

Condition: The City of Baker did not meet the statutory deadline for reporting the required annual audit to the Federal Audit Clearinghouse.

Corrective Action Taken: After the submission of the 2024 audit, the City began searching for and contracted with a new CPA firm to perform the financial statement audit. The City and Auditor are working together to complete the audit timely.

The City of Baker respectfully submits the following corrective action plan.

Audit conducted by:
Kolder, Slaven & Company, LLC
200 S. Main Street
Abbeville, LA 70510

Audit Period: Fiscal year ended June 30, 2025

The findings from the June 30, 2025, schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the number assigned in the schedule.

2025-001 **Inadequate Segregation of Accounting Functions Within the Police Department**

Recommendation: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

Corrective Action Plan: Management will reassign duties among people available within the City of Baker and outside accountants currently performing reconciliations to ensure that duties are adequately segregated for stronger internal control.

Anticipated Completion Date*:* June 30, 2026

2025-002 **Cash and Interfund Reconciliations**

Recommendation: The City should establish formal policies and procedures for reconciling interfund transactions and pooled cash balances and establishing timelines for repayment of balances.

Corrective Action Plan: *Management* is aware and has reported pooled cash balances among funds resulting from numerous projects at various levels of completion by the General, Streets and Utility Funds. Timelines for repayment of these balances will be finalized and reviewed periodically by management.

Anticipated Completion Date*:* June 30, 2026

2025-003 Internal Controls over Payroll

Recommendation: The City should implement or enforce controls over payroll processing, including independent review of payroll registers for accuracy and reasonableness, and periodic reconciliations performed by individuals independent of payroll preparation.

Corrective Action Plan: *Controls* and processes for payroll have been discussed with the applicable departments, and new procedures have been created to ensure compliance.

Anticipated Completion Date*:* June 30, 2026

2025-004 Late Report Issuance

Recommendation: The City should take the necessary steps to ensure that all financial records are accurate and made available to the City's auditors well in advance of the statutory deadline to allow for timely completion of the audit.

Corrective Action Plan: The City recognizes the delay in securing an approved auditor and has taken steps to ensure timely filing in the subsequent year.

Anticipated Completion Date*:* June 30, 2026

2025-005 Bond Compliance

Recommendation: The City should work with its bond counsel or other advisors to ensure the required compliance elements are met.

Corrective Action Plan: *Management* has contacted bond trustees to determine responsibility for filing compliance.

Anticipated Completion Date*:* June 30, 2026.

2025-006 Budget Compliance

Recommendation: The City should periodically compare actual activity to budgeted amounts and adopt budgetary amendments as necessary to cause compliance with state statute.

Corrective Action Plan: *Management* reviews the budget to actual on a monthly basis but has targeted a date for future amendments to be completed before year end.

Anticipated Completion Date*:* June 30, 2026.

2025-007 Late Report Submission

Recommendation: The City should implement separate internal deadlines for Single Audit preparation and ensure coordination between financial reporting and grant compliance staff.

Corrective Action Plan: The City recognizes the delay in securing an approved auditor and has taken steps to ensure timely filing in the subsequent year.

Anticipated Completion Date: June 30, 2026.

If there are questions regarding the plan, please call me at 225-778-1751.

Respectfully,

Mary Sue Stages, CPA
Finance Director
April 30, 2026

City of Baker

Baker, Louisiana

Statewide Agreed-Upon Procedures

Fiscal period July 1, 2024 through June 30, 2025

KOLDER, SLAVEN & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA
Deidre L. Stock, CPA

Of Counsel
C. Burton Kolder, CPA*

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA - retired 2022
Gerald A. Thibodeaux, Jr., CPA* - retired 2024

* A Professional Accounting Corporation

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

450 E. Main St.
New Iberia, LA 70560
Phone (337) 367-9204

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

1201 David Dr.
Morgan City, LA 70380
Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

WWW.KCSRCPAS.COM

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Mr. Darnell Waites, Mayor
City Council Members
Of the City of Baker
and the Louisiana Legislative Auditor:

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

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

The procedures and associated exceptions are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories:

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

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

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

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

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

   b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum on all special revenue funds. *Alternatively, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

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

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

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

   b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared. (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 EFTs)

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

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

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

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

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

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

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

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

   a) Observe that receipts are sequentially pre-numbered.

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

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

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

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

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

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

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

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

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

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

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

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

   [Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality): should not be reported.)]

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

    a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

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

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

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards

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

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

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

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

14. Using the monthly statements or combined statements selected under #13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

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

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

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

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

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

Contracts

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

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

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

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

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

Payroll and Personnel

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

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

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

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

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

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

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

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

Ethics

21. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
    a) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
    b) Observe that 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. Inquire and/or observe 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 that State Bond Commission approval was obtained for each bond/note issued.
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. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the Parish in which the entity is domiciled.
26. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
    a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

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

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

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

29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
   - Hired before June 9, 2020 - completed the training; and
   - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Prevention of Sexual Harassment

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

31. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

32. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42.344:

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:

Written Policies and Procedures

Written policies and procedures addressing Ethics did not include a system to monitor possible ethics violations, requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy, and the prohibitions as defined in Louisiana Revised Statue 42:1111-1121

Written policies and procedures addressing Sexual Harassment did not include annual employee training, and annual reporting.

Board Minutes

Board meeting minutes did not reference a formal plan to eliminate the negative unassigned fund balance in the general fund from the prior year's audit

The City's board did not receive written updates of the progress of resolving prior year audit findings.

Bank Reconciliations

Four of five bank reconciliations tested did not include date of management review.

Two of five bank reconciliations tested did not have evidence of researching outstanding items greater than 12 months

Collections (excluding electronic funds transfers)

For one of five collection locations tested, the person collecting cash is responsible for preparing bank deposits.

For one of five collection locations tested, the person collecting cash posts collection entries to the general ledger, or subsidiary ledgers

For one of five collection locations tested, the person collecting cash reconciles cash collections to the general ledger, or subsidiary ledgers.

For three of ten collections tested, there were no sequentially prenumbered receipts provided

For seven of ten collections tested, the deposit was made to the bank outside of one business day of collection.

Disbursements

Five out of five electronic disbursements tested did not have any evidence of approval from those who are authorized to disburse funds.

For one disbursement location tested, there are less than two employees involved in initiating purchase requests, approving purchases, and making purchases

For one disbursement location tested, there are less than two employees involved in the processing and approval of payments to vendors

For one disbursement location tested, the employee responsible for processing payments has the ability to add/modify vendor files.

For two disbursement locations, the employee responsible for signing checks also mails the payment or gives the signed check to an employee who is not responsible for processing payments.

For one disbursement location, employees who are not authorized to sign checks have the ability to approve electronic disbursements.

Credit Cards

For two credit cards selected for testing, the credit card statement and supporting documents were not approved in writing by someone other than the authorized card holder.

For eleven credit card transactions tested, there was no documentation of the business purpose of the transaction.

For one credit card transaction related to meals, the transaction was not supported by documentation of the individuals participating in the meal.

Travel Related Expense Reimbursements

For one of five travel expense reimbursement tested, there was no documentation of the business purpose of the reimbursement provided.

Contracts

No exceptions noted as a result of procedures performed

Payroll and Personnel

No exceptions noted as a result of procedures performed.

Ethics

One of five employees tested did not have certificates for completion of ethics training during the year.

Debt Service

No exceptions noted as a result of procedures performed.

Fraud Notice

No exceptions noted as a result of procedures performed.

Information Technology Disaster Recovery/Business Continuity

We performed the procedure and discussed the results with management.

Sexual Harassment

Two of five employees tested did not have certificates for completions of sexual harassment training during the year

Management's Response:

Management of the City concurs with the exceptions 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 of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing 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

Abbeville, Louisiana
April 30, 2026