

CITY OF DERIDDER, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
SEPTEMBER 30, 2024

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INDEPENDENT AUDITOR'S REPORT

The Honorable Randy Larken, Mayor
and Members of the City Council
DeRidder, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities each major fund, and the aggregate remaining fund information of the City of DeRidder, Louisiana, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of DeRidder, Louisiana's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities each major fund, and the aggregate remaining fund information of the City of DeRidder, Louisiana, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of City's proportionate share of the net pension liability, schedule of the City's pension contributions, and schedule of changes in total other post-employment benefits (OPEB) liability and ratios on pages 53 - 65 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.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of DeRidder, Louisiana's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, schedule of compensation of board members, schedule of compensation, benefits and other payments to agency head, schedule of expenditures of federal awards, and notes to the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* 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 combining and individual nonmajor fund financial statements, schedule of compensation of board members, schedule of compensation, benefits and other payments to agency head, the schedule of expenditures of federal awards, and the notes to the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Honorable Randy Larken, Mayor
and Members of the City Council
DeRidder, Louisiana

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections 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 March 22, 2025, on our consideration of the City of DeRidder, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of DeRidder, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of DeRidder, Louisiana's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "John D. Windham, CPA". The signature is written in a cursive, flowing style.

DeRidder, Louisiana
March 22, 2025

BASIC FINANCIAL STATEMENTS

Statement of Net Position
September 30, 2024

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
ASSETS			
Cash and cash equivalents	\$ 2,638,301	\$ 510,043	\$ 3,148,344
Receivables:			
Franchise taxes	140,112	-	140,112
Restricted sales tax receivable	710,320	-	710,320
Alcohol taxes	4,295	-	4,295
Accounts	58,261	645,947	704,208
Federal grants	1,275,987	-	1,275,987
State grants	91,852	170,504	262,356
Local grants	16,122	-	16,122
Due from other funds	1,904,572	-	1,904,572
Restricted cash and cash equivalents	2,289,649	47,300	2,336,949
Capital assets, not being depreciated	1,051,142	1,012,728	2,063,870
Capital assets, being depreciated - net	21,652,171	11,553,578	33,205,749
Total assets	<u>\$ 31,832,784</u>	<u>\$ 13,940,100</u>	<u>\$ 45,772,884</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	\$ 1,351,706	\$ 81,821	\$ 1,433,527
Other post-employment benefits	439,613	93,963	533,576
Total deferred outflows of resources	<u>\$ 1,791,319</u>	<u>\$ 175,784</u>	<u>\$ 1,967,103</u>
Total assets and deferred outflows of resources	<u>\$ 33,624,103</u>	<u>\$ 14,115,884</u>	<u>\$ 47,739,987</u>
LIABILITIES			
Accounts payable	\$ 229,748	\$ 158,234	\$ 387,982
Retirement payable	132,183	-	132,183
Payroll deductions payable	148,761	-	148,761
Contracts payable	-	47,300	47,300
Accrued interest payable	36,416	-	36,416
Due to other funds	1,225,820	678,752	1,904,572
Long term debt:			
Due within one year	117,004	-	117,004
Due in more than one year	1,767,134	-	1,767,134
Net OPEB obligation	5,694,574	1,217,155	6,911,729
Net pension liability	7,331,005	699,497	8,030,502
Accrued compensated absences	694,008	196,530	890,538
Customer deposits	-	163,545	163,545
Total liabilities	<u>\$ 17,376,653</u>	<u>\$ 3,161,013</u>	<u>\$ 20,537,666</u>
DEFERRED INFLOWS OF RESOURCES			
Pensions	\$ 340,673	\$ 33,399	\$ 374,072
Other post-employment benefits	5,334,490	1,140,191	6,474,681
Supplemental pay	14,060	-	14,060
Total deferred inflows of resources	<u>\$ 5,689,223</u>	<u>\$ 1,173,590</u>	<u>\$ 6,862,813</u>
Total liabilities and deferred inflows of resources	<u>\$ 23,065,876</u>	<u>\$ 4,334,603</u>	<u>\$ 27,400,479</u>

(Continued)

The accompanying notes are an integral part of this statement.

Statement of Net Position
September 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
NET POSITION			
Net investment in capital assets	\$ 21,922,098	\$ 12,566,306	\$ 34,488,404
Restricted for:			
Sales tax	4,433,825	-	4,433,825
Bond retirement	1,828	-	1,828
Police/Fire capital improvements	322,962	-	322,962
ARPA funds	38,048	-	38,048
Unrestricted	(16,160,534)	(2,785,025)	(18,945,559)
Total net position	<u>\$ 10,558,227</u>	<u>\$ 9,781,281</u>	<u>\$ 20,339,508</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 33,624,103</u>	<u>\$ 14,115,884</u>	<u>\$ 47,739,987</u> (Concluded)

The accompanying notes are an integral part of this statement.

Statement of Activities
For the Year Ended September 30, 2024

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Program Activities	Expenses						
Governmental activities:							
General government and administration	\$ 3,427,991	\$ 24,824	\$ -	\$ 67,000	\$ (3,336,167)	\$ -	\$ (3,336,167)
Public safety	5,813,261	146,026	92,203	27,668	(5,547,364)	-	(5,547,364)
Public works	1,913,650	18,225	-	727,851	(1,167,574)	-	(1,167,574)
Culture & recreation	655,946	2,650	-	11,383	(641,913)	-	(641,913)
Transit	289,735	66,253	133,008	-	(90,474)	-	(90,474)
Interest on long term debt	135,134	-	-	-	(135,134)	-	(135,134)
Unallocated depreciation*	44,730	-	-	-	(44,730)	-	(44,730)
Total governmental activities	<u>\$ 12,280,447</u>	<u>\$ 257,978</u>	<u>\$ 225,211</u>	<u>\$ 833,902</u>	<u>\$ (10,963,356)</u>	<u>\$ -</u>	<u>\$ (10,963,356)</u>
Business-type activities:							
Water and sewer	<u>\$ 4,750,766</u>	<u>\$ 3,534,880</u>	<u>\$ -</u>	<u>\$ 842,634</u>	<u>\$ -</u>	<u>\$ (373,252)</u>	<u>\$ (373,252)</u>
Total government	<u><u>\$ 17,031,213</u></u>	<u><u>\$ 3,792,858</u></u>	<u><u>\$ 225,211</u></u>	<u><u>\$ 1,676,536</u></u>	<u><u>\$ (10,963,356)</u></u>	<u><u>\$ (373,252)</u></u>	<u><u>\$ (11,336,608)</u></u>

(Continued)

* Unallocated depreciation excludes
direct depreciation expenses of the
City's various programs

The accompanying notes are an integral part of this statement.

Statement of Activities
For the Year Ended September 30, 2024

	Net (Expenses) Revenues and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General revenues:			
Taxes:			
Ad valorem taxes	\$ 958,594	\$ -	\$ 958,594
Sales taxes	11,183,558	-	11,183,558
Insurance premium tax	74,884	-	74,884
Franchise tax	636,829	-	636,829
Alcohol tax	18,760	-	18,760
Occupational licenses and permits	698,380	-	698,380
Supplemental pay	27,800	-	27,800
Investment earnings	192,563	67,455	260,018
Gain on sale of assets	167,376	2,000	169,376
Rental income	46,450	-	46,450
Nonemployer pension revenue	294,418	40,730	335,148
OPEB benefits	-	586,595	586,595
Special item - Hurricane related FEMA federal grant	1,522,893	-	1,522,893
Extraordinary item - Hurricane Laura expenditures	(75,498)	-	(75,498)
Donations	14,454	-	14,454
Miscellaneous	3,640	-	3,640
Transfers in	5,676,714	759,600	6,436,314
Transfers out	(6,526,314)	(45,000)	(6,571,314)
Total general revenues and transfers	\$ 14,915,501	\$ 1,411,380	\$ 16,326,881
Change in net position	\$ 3,952,145	\$ 1,038,128	\$ 4,990,273
Net position at beginning of year	6,606,082	8,743,153	15,349,235
Net position at end of year	\$ 10,558,227	\$ 9,781,281	\$ 20,339,508
			(Concluded)

The accompanying notes are an integral part of this statement.

Balance Sheet
Governmental Funds
September 30, 2024

		Major Fund		
	General	Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 2,638,301	\$ -	\$ -	\$ 2,638,301
Receivables:				
Franchise taxes	140,112	-	-	140,112
Sales taxes	-	710,320	-	710,320
Alcohol taxes	4,295	-	-	4,295
Accounts receivable	58,261	-	-	58,261
Intergovernmental:				
Federal grants	1,275,987	-	-	1,275,987
State grants	91,852	-	-	91,852
Local grants	16,122	-	-	16,122
Restricted assets - cash	324,790	1,926,806	38,053	2,289,649
Due from other funds	-	1,900,820	3,752	1,904,572
	<u>-</u>	<u>1,900,820</u>	<u>3,752</u>	<u>1,904,572</u>
Total assets	<u>\$ 4,549,720</u>	<u>\$ 4,537,946</u>	<u>\$ 41,805</u>	<u>\$ 9,129,471</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 125,627	\$ 104,121	\$ -	\$ 229,748
Retirement payable	132,183	-	-	132,183
Payroll deductions payable	148,761	-	-	148,761
Due to other funds	1,225,820	-	-	1,225,820
Total liabilities	<u>\$ 1,632,391</u>	<u>\$ 104,121</u>	<u>\$ -</u>	<u>\$ 1,736,512</u>
Deferred Inflows of Resources:				
Deferred supplemental pay	\$ 14,060	\$ -	\$ -	\$ 14,060
Total liabilities and deferred inflows of resources	<u>\$ 1,646,451</u>	<u>\$ 104,121</u>	<u>\$ -</u>	<u>\$ 1,750,572</u>
Fund Balances:				
Restricted	\$ 324,790	\$ 4,433,825	\$ 38,048	\$ 4,796,663
Assigned	23,936	-	3,757	27,693
Unassigned	2,554,543	-	-	2,554,543
Total fund balances	<u>\$ 2,903,269</u>	<u>\$ 4,433,825</u>	<u>\$ 41,805</u>	<u>\$ 7,378,899</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,549,720</u>	<u>\$ 4,537,946</u>	<u>\$ 41,805</u>	<u>\$ 9,129,471</u>

The accompanying notes are an integral part of this statement.

Reconciliation of the Governmental Funds Balance Sheet
to Statement of Net Position
September 30, 2024

Total fund balance - total governmental funds	\$ 7,378,899
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheets.	22,400,320
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in governmental funds balance sheet.	(36,416)
Capital assets reported in the proprietary fund but financed with general obligation debt have been transferred to governmental activities in the government-wide statement of net position in order to show those assets net of related debt in the net assets section of the government-wide statement of net position.	302,993
Pension-related changes in net pension liability that are only reported in the Statement of Net Position as deferred outflows.	1,351,706
Pension-related changes in net pension liability that are only reported in the Statement of Net Position as deferred inflows.	(340,673)
Other post-employment benefit related changes in net pension liability that are only reported in the Statement of Net Position as deferred outflows.	439,613
Other post-employment benefit related changes in net pension liability that are only reported in the Statement of Net Position as deferred inflows.	(5,334,490)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Long term debt - due within one year	\$ (117,004)
Long term debt - due in more than one year	(1,767,134)
Net OPEB obligation	(5,694,574)
Net pension liability	(7,331,005)
Accrued compensated absences	(694,008)
	<u>(15,603,725)</u>
Net position of governmental activities	<u>\$ 10,558,227</u>

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2024

	General Fund	Major Fund Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes:				
Ad valorem	\$ 958,594	\$ -	\$ -	\$ 958,594
Sales tax	-	11,183,558	-	11,183,558
Insurance premium tax	74,884	-	-	74,884
Franchise tax	636,829	-	-	636,829
Alcohol tax	18,760	-	-	18,760
Intergovernmental:				
Federal grants	137,281	-	2,484	139,765
State grants	112,668	725,367	-	838,035
Local grants	81,313	-	-	81,313
Occupational licenses and permits	698,380	-	-	698,380
Fees and charges for services	239,753	18,225	-	257,978
Supplemental pay	27,800	-	-	27,800
Investment income	121,879	70,684	-	192,563
Rental income	46,450	-	-	46,450
Donations	14,454	-	-	14,454
Miscellaneous	3,640	-	-	3,640
Total revenues	<u>\$ 3,172,685</u>	<u>\$ 11,997,834</u>	<u>\$ 2,484</u>	<u>\$ 15,173,003</u>
Expenditures				
Current operating:				
General government	\$ 1,380,239	\$ 2,096,670	\$ -	\$ 3,476,909
Public safety	5,881,831	-	-	5,881,831
Public works	-	1,786,093	-	1,786,093
Culture & recreation	425,158	-	-	425,158
Transit	268,795	-	-	268,795
Debt service:				
Principal	1,110,306	-	-	1,110,306
Interest and charges	113,717	-	-	113,717
Capital outlay	1,274,691	1,164,892	40,329	2,479,912
Total expenditures	<u>\$ 10,454,737</u>	<u>\$ 5,047,655</u>	<u>\$ 40,329</u>	<u>\$ 15,542,721</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (7,282,052)</u>	<u>\$ 6,950,179</u>	<u>\$ (37,845)</u>	<u>\$ (369,718)</u>
Other financing sources (uses)				
Transfer in	\$ 5,628,714	\$ 48,000	\$ -	\$ 5,676,714
Transfer out	(93,000)	(6,433,314)	-	(6,526,314)
Sale of assets	164,289	3,087	-	167,376
Total other financing sources (uses)	<u>\$ 5,700,003</u>	<u>\$ (6,382,227)</u>	<u>\$ -</u>	<u>\$ (682,224)</u>

(Continued)

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2024

	<u>General Fund</u>	<u>Major Fund</u> Sales Tax Fund	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Special item				
Hurricane related FEMA federal grant	\$ 1,522,893	\$ -	\$ -	\$ 1,522,893
Extraordinary item				
Hurricane Laura expenditures	\$ (75,498)	\$ -	\$ -	\$ (75,498)
Net change in fund balance	\$ (134,654)	\$ 567,952	\$ (37,845)	\$ 395,453
Fund balances at beginning of year	<u>3,037,923</u>	<u>3,865,873</u>	<u>79,650</u>	<u>6,983,446</u>
Fund balances at end of year	<u><u>\$ 2,903,269</u></u>	<u><u>\$ 4,433,825</u></u>	<u><u>\$ 41,805</u></u>	<u><u>\$ 7,378,899</u></u>
				(Concluded)

The accompanying notes are an integral part of this statement.

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of Governmental Funds to the
Statement of Activities
For the Year Ended September 30, 2024

Net change in fund balances - total governmental funds		\$ 395,453
Amounts reported for governmental activities in the statement of activities are different because:		
Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		(13,364)
Pension expense is based on employer contributions in the governmental funds, but is an actuarially calculated expense on the Statement of Activities.		103,341
Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period:		
General fund	\$ 1,274,691	
Sales tax fund	1,164,892	
American Rescue Plan Act fund	<u>40,329</u>	
		2,479,912
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.		(1,129,556)
Accrued interest on long term debt is not shown in the governmental funds.		(21,417)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of bond repayments.		1,110,306
Governmental funds do not report net change in other postemployment benefits (OPEB) obligations. However this obligation does appear in the Statement of Activities since the payable is reported on the Statement of Net Position.		<u>1,027,470</u>
Change in net position of governmental activities		<u><u>\$ 3,952,145</u></u>

The accompanying notes are an integral part of this statement.

Statement of Net Position
Proprietary Fund
September 30, 2024

	Business-type Activities Enterprise Fund Water and Sewer	Governmental Activities Internal Service Fund
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 510,043	\$ 24,447
Receivables:		
Accounts	645,947	-
Intergovernmental:		
State grant	170,504	
Total current assets	<u>\$ 1,326,494</u>	<u>\$ 24,447</u>
Noncurrent Assets		
Restricted cash and cash equivalents	\$ 47,300	\$ -
Capital assets not being depreciated	1,012,728	-
Capital assets being depreciated - net	11,856,571	-
Total noncurrent assets	<u>\$ 12,916,599</u>	<u>\$ -</u>
Total assets	<u>\$ 14,243,093</u>	<u>\$ 24,447</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	\$ 81,821	\$ -
Other post-employment benefits	93,963	-
Total deferred outflows of resources	<u>\$ 175,784</u>	<u>\$ -</u>
Total assets and deferred outflows of resources	<u><u>\$ 14,418,877</u></u>	<u><u>\$ 24,447</u></u>
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 158,234	\$ -
Due to other funds	678,752	-
Total current liabilities	<u>\$ 836,986</u>	<u>\$ -</u>
Liabilities payable from restricted assets		
Contracts payable	<u>\$ 47,300</u>	<u>\$ -</u>
Noncurrent Liabilities		
Customer deposits	\$ 163,545	\$ -
Compensated absences	196,530	-
Other post-employment benefits	1,217,155	-
Net pension liability	699,497	-
Total noncurrent liabilities	<u>\$ 2,276,727</u>	<u>\$ -</u>
Total liabilities	<u>\$ 3,161,013</u>	<u>\$ -</u>

(Continued)

The accompanying notes are an integral part of this statement.

Statement of Net Position
Proprietary Fund
September 30, 2024

	Business-type Activities Enterprise Fund	Governmental Activities
	Water and Sewer	Internal Service Fund
DEFERRED INFLOWS OF RESOURCES		
Pensions	\$ 33,399	\$ -
Other post-employment benefits	1,140,191	-
Total deferred inflows of resources	<u>\$ 1,173,590</u>	<u>\$ -</u>
 Total liabilities and deferred inflows of resources	 <u>\$ 4,334,603</u>	 <u>\$ -</u>
NET POSITION		
Net investment in capital assets	\$ 12,869,299	\$ -
Unrestricted	(2,785,025)	24,447
Total net position	<u>\$ 10,084,274</u>	<u>\$ 24,447</u>
 Total liabilities, deferred inflows of resources, and net position	 <u><u>\$ 14,418,877</u></u>	 <u><u>\$ 24,447</u></u> (Concluded)

The accompanying notes are an integral part of this statement.

Reconciliation of the Proprietary Fund Statement of Net Position
to the Statement of Net Position
For the Year Ended September 30, 2024

Amounts reported for business-type activities in the statement of net position are different because:

Total net position for the proprietary fund statement of net position	\$ 10,084,274
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Capital assets reported in the proprietary fund but financed with general obligation debt have been transferred to governmental activities in the government-wide statement of net position in order to show those assets net of related debt in the net asset section of the government-wide statement of net position.	<u>(302,993)</u>
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Net position of business-type activities	<u><u>\$ 9,781,281</u></u>
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The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended September 30, 2024

	Business-type Activities Enterprise Fund	Governmental Activities
	Water and Sewer	Internal Service Fund
Operating revenues		
Charges for services	\$ 3,534,880	\$ -
Total operating revenues	<u>\$ 3,534,880</u>	<u>\$ -</u>
Operating expenses		
Personal services	\$ 1,782,602	\$ -
Supplies	953,906	-
Contractual services	1,231,851	5,481
Depreciation	797,369	-
Claims	-	125,522
Total operating expenses	<u>\$ 4,765,728</u>	<u>\$ 131,003</u>
Income (loss) from operations	<u>\$ (1,230,848)</u>	<u>\$ (131,003)</u>
Nonoperating revenues (expenses)		
Investment income	\$ 67,455	\$ 54
Sale of assets	2,000	-
OPEB benefits	586,595	-
Nonemployer pension revenue	40,730	-
Total nonoperating revenues (expenses)	<u>\$ 696,780</u>	<u>\$ 54</u>
Income (loss) before contributions and transfers	\$ (534,068)	\$ (130,949)
Capital contributions	842,634	-
Transfers out	(45,000)	-
Transfers in	<u>759,600</u>	<u>135,000</u>
Change in net position	\$ 1,023,166	\$ 4,051
Net position at beginning of year	9,061,108	20,396
Net position at end of year	<u><u>\$ 10,084,274</u></u>	<u><u>\$ 24,447</u></u>

The accompanying notes are an integral part of this statement.

Reconciliation of the Statement of Revenues,
Expenses, and Changes in Net Position
of Proprietary Fund to the Statement of Activities
For the Year Ended September 30, 2024

Net change in net position - total proprietary fund	\$ 1,023,166
Depreciation on capital assets reported in the proprietary fund but financed with general obligation debt have been transferred to governmental activities in the government wide statement of activities.	<u>14,962</u>
Change in net position of proprietary activities	<u><u>\$ 1,038,128</u></u>

The accompanying notes are an integral part of this statement.

Statement of Cash Flows
Proprietary Fund
For the Year Ended September 30, 2024

	Business-type Activities Enterprises Fund Water and Sewer	Governmental Activities Internal Service Fund
Cash flows from operating activities:		
Cash received from customers	\$ 3,462,171	\$ -
Cash payments to suppliers for goods and services	(2,149,731)	(131,003)
Cash payments for employee services and employee related fringe benefits	(2,327,598)	-
Net cash used by operating activities	<u>\$ (1,015,158)</u>	<u>\$ (131,003)</u>
Cash flows from noncapital financing activities:		
Nonemployer pension revenue	\$ 40,730	\$ -
OPEB benefits	586,595	-
Receipts from other funds	275,000	-
Transfers in	759,600	135,000
Transfers out	(45,000)	-
Net cash provided for noncapital financing activities	<u>\$ 1,616,925</u>	<u>\$ 135,000</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	\$ (1,212,847)	\$ -
Sale of assets	2,000	-
Capital contributions	672,130	-
Net cash used for capital and related financing activities	<u>\$ (538,717)</u>	<u>\$ -</u>
Cash flows from investing activities:		
Interest and dividends on cash management activities	<u>\$ 67,455</u>	<u>\$ 54</u>
Net increase (decrease) in cash and cash equivalents	\$ 130,505	\$ 4,051
Cash and cash equivalents, beginning of year	<u>426,838</u>	<u>20,396</u>
Cash and cash equivalents, end of year	<u>\$ 557,343</u>	<u>\$ 24,447</u>

(Continued)

The accompanying notes are an integral part of this statement.

Statement of Cash Flows
Proprietary Fund
For the Year Ended September 30, 2024

	Business-type Activities Enterprises Fund	Governmental Activities
	Water and Sewer	Internal Service Fund
Reconciliation of operating loss to net cash used by operating activities		
Operating income (loss)	\$ (1,230,848)	\$ (131,003)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	\$ 797,369	\$ -
Increase in accounts receivable	(85,653)	-
Increase in accounts payable	34,824	-
Increase in contracts payable	1,200	-
Increase in customer deposits payable	12,944	-
Increase in compensated absences payable	30,846	-
Increase in other post-employment benefits payable	2,591	-
Decrease in deferred outflows	31,424	-
Decrease in net pension liability	(122,904)	-
Decrease in deferred inflows	(486,951)	-
Total adjustments	\$ 215,690	\$ -
Net cash used by operating activities:	\$ (1,015,158)	\$ (131,003)
		(Concluded)

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

City of DeRidder, Louisiana
Notes to the Financial Statements
As of and for the Year Ended September 30, 2024

INTRODUCTION

The City of DeRidder was incorporated under the provisions of the Lawrason Act. The City operates under a Mayor-City Council form of government under a home rule charter.

The accounting and reporting policies of the City of DeRidder conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The City is located within Beauregard Parish in the southwestern part of the State of Louisiana and is comprised of approximately 10,500 residents. The governing board is composed of seven elected council members that are compensated for regular and special board meetings. There are approximately one hundred-twenty employees who provide various services to the residents. The City maintains approximately 74 miles of roadways within the city limits.

The City maintains various funds that provide services and benefits to the residents. The general fund provides police and fire protection and culture and recreational activities. The sales tax fund and street construction fund provides public works of highway and street maintenance and solid waste collection and disposal. The utility fund provides water and sewer services to approximately 4,400 residents. Other funds are established as needed for specific projects undertaken by the City.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the municipality is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the municipality may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

Blended Components Units

Component units that are legally separate from the municipality, but are so intertwined with the municipality that they are, in substance, the same as the municipalities are blended component units. For a component unit to be blended, the organization's board and the municipality must be substantially the same, or the organization must provide services entirely to the municipality and blended with the appropriate municipality funds:

The City of DeRidder had no blended component units as of September 30, 2024.

Discretely Presented Component Units

Component units that are legally separate from the municipality, but are financially accountable to the municipality, or whose relationship with the municipality are such that exclusion would cause the municipality's financial statements to be misleading or incomplete are discretely presented.

The City of DeRidder had no discretely presented component units as of September 30, 2024.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

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

Notes to the Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 funds financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as 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 to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Fund

The Sales Tax Fund accounts for and reports sales tax revenues that are legally restricted to expenditures for specific purposes.

The City reports the following major proprietary fund:

The Proprietary Fund accounts for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The City reports the following non-major funds:

Capital Projects Fund – Where grant funds are used to construct and repair major fixed asset projects of the City.

City of DeRidder, Louisiana

Notes to the Financial Statements (Continued)

Special Revenue Fund – American Rescue Plan Act Fund (ARPA) accounts for federal grant funds awarded under the Coronavirus State and Local Fiscal Recovery Funds. These funds may be used to support public health expenditures, address negative economic impacts caused by the public health emergency, replace lost public sector revenue, provide premium pay for essential workers, and invest in water, sewer and broadband infrastructure.

Additionally, the City reports the following fund types:

Internal Service Fund accounts for services provided to other departments and agencies of the City, or to other governments, on a cost reimbursement basis.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Charges for services of providing water and sewer services to residents comprise the operating revenue of the City's enterprise fund. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City has not established a policy for use of the unrestricted fund balance, therefore it considers committed fund balances to be used first, then assigned fund balances to be used next and finally the unassigned fund balance will be used.

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

C. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits and short-term investments with original maturities of three months or less from the date of acquisition. State law and the municipality's investment policy allow the municipality to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

D. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

City of DeRidder, Louisiana

Notes to the Financial Statements (Continued)

The City levies taxes on real and business personal property located within the boundaries of the City. Property taxes are levied by the City on property values assessed by the Beauregard Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Beauregard Parish Sheriff and Ex-Officio Tax Collector bills and collects property taxes for the City. Collections are remitted to the City monthly. The City recognizes property tax revenues when levied.

Property Tax Calendar	
Assessment date	January 1, 2023
Levy date	June 30, 2023
Tax bills mailed	October 15, 2023
Total taxes are due	December 31, 2023
Penalties & interest due	January 31, 2024
Lien date	January 31, 2024
Tax sale	May 31, 2024

For the year ended September 30, 2024, taxes of 10.41 mills were levied on property with an assessed valuation totaling \$89,420,979, and were dedicated as follows:

	Authorized <u>Millage</u>	Levied <u>Millage</u>	Expiration <u>Date</u>
Taxes due for:			Renewed
General corporate tax	7.66	7.66	Annually
Police/Fire capital improvements	2.75	2.75	12/31/2026

All trade and property tax receivables are shown net of an allowance for uncollectibles. Property taxes are collected and remitted by the local sheriff, if taxes are not paid, a sheriff's sale is held and the property is sold to satisfy the taxes due on the property. Due to this, the majority, if not all property taxes are collected, therefore no allowance account for uncollectibles has been established.

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

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Ad Valorem Tax Revenue for Municipality</u>
Ingevity South Carolina, L.L.C.	Manufacturer	\$ 16,052,562	17.95%	\$ 167,107

Sales Taxes

The City of DeRidder receives a 1% sales and use tax that is dedicated to constructing, paving, resurfacing and improving streets, sidewalks and bridges; constructing and improving drains and subsurface drainage; and for the purpose of defraying the maintenance expenses thereof; constructing, acquiring and improving public parks and recreational facilities and purchasing and acquiring the necessary land, equipment and furnishing thereof. In addition, it provides funds for the retirement of all public improvement bonds. This tax is for an indefinite period.

An additional 1% sales tax, for a twenty year period ending December 31, 2032, is dedicated and used for the following purposes:

41% for constructing, improving, repairing, operating and maintaining public buildings, public streets and sidewalks; drains and drainage facilities; garbage and solid waste collection and disposal facilities; paying the cost of other public services, including grass cutting; and paying the cost of improving or extending city utilities to encourage and induce the location of or additions to industrial enterprises having economic impact upon the City;

City of DeRidder, Louisiana

Notes to the Financial Statements (Continued)

55% to pay the cost of providing public safety and fire and police protection services and improving, repairing, operating and maintaining sewers and sewerage collection and disposal works, including the acquisition of furnishings and equipment for any of said purposes;

4% to pay the cost of constructing, improving, repairing, operating and maintaining public parks and recreational facilities and purchasing and acquiring the necessary land, equipment and furnishing thereof. In addition, it provides funds for the retirement of all public improvement bonds.

The City of DeRidder also collects a ¼% sales and use tax with the proceeds to be dedicated and used solely for the purpose of supplementing the salaries and benefits of policemen and firemen and improving police and fire protection facilities, including the acquisition of equipment and vehicles for such purpose. This tax has no term limit.

E. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

F. Restricted Assets

Certain resources in the general fund have been set aside for the repayment of bonded debt of the City. These resources are classified as restricted assets because their use is limited. Also, the sales tax fund is a special revenue fund with restricted assets set aside for special purposes. The American Rescue Plan Act Fund is restricted for grant funds received for capital projects and other Covid related expenditures.

A payment of \$100 per month is deposited into a State of Louisiana reimbursement account. The account was established to reimburse the State for its cost associated with the widening of Highway 171 in prior years. This account is restricted and may be called by the State at its discretion.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City maintains a threshold level of \$5,000 or more for capitalizing capital assets. According to GASB 34 the City of DeRidder was not required to retroactively report infrastructure assets in its financial statements, therefore, these assets have not been reported in the financial statements.

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. The total interest expense incurred during the current fiscal year was \$113,717. No interest was included as part of the cost of capital assets under construction in connection with the City's construction projects.

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

<u>Description</u>	<u>Estimated Lives</u>
Roads, bridges, and infrastructure	40-50 years
Land improvements	20-50 years
Buildings and building improvements	20-50 years

City of DeRidder, Louisiana

Notes to the Financial Statements (Continued)

Furniture and fixtures	5-15 years
Vehicles	5-10 years
Equipment	3-15 years

H. Compensated Absences

The City of DeRidder's recognition and measurement criterion for compensated absences follows:

On July 1, 1996, the City enacted new legislation concerning sick leave pay and unpaid vacation. Full-time employees earn vacation leave at varying rates depending upon length of service, which also may be accumulated up to a maximum of 160 days. Upon death, retirement, or separation of service from the City, an employee may receive their entire accumulated sick leave pay if he chooses to draw it out over regular pay periods. If the employee chooses to receive the pay in a lump sum he will receive 50% of the accumulated pay. In addition, upon retirement, unused sick leave is used in the retirement benefit computation as earned service.

On March 28, 1994, the sick leave policy was amended to reflect that each employee of the City would receive 4 hours of sick leave per pay period (13 days per year). As an exception, firemen working 53 hours per week will receive 10 hours of sick leave per month. Upon termination (voluntary or involuntary) an employee will receive full pay for accumulated sick leave not to exceed a 60-day limit (480 hours) with payment made by an installment plan based on the hourly rate at retirement.

No sick leave credit hours accumulated under the old sick leave policy will be lost. Upon retirement or termination, remuneration will be made to those employees who have accrued sick leave under the old policy. This payment will be made in installments and capped at the hourly rate as of December 31, 1993.

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No.16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

1. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
2. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who accumulated leave are paid.

I. Long-Term Obligations

In the government-wide financial statements, and the proprietary funds types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities,

Notes to the Financial Statements (Continued)

business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

J. Fund Balances

- Nonspendable The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.
- Restricted Amounts that are restricted to specific purposes should be reported as *restricted fund balance*. Fund balance should be reported as restricted when 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 Committed fund balance classifications include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision making authority.
- Assigned Assigned fund balance classifications include amounts that have been constrained to being used for specific purposes by actions taken by the City itself. However, the authority for making an assignment is not required to be the City’s highest level of decision making authority.
- Unassigned Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

K. Net Position

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

- a. Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position – all other net resources that do not meet the definition of “restricted” or “net investment in capital assets”.

Notes to the Financial Statements (Continued)

L. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the municipality, which are either unusual in nature or infrequent in occurrence.

During the year the City's extraordinary item consisted of \$75,498 of expenditures for consulting fees and repairs and replacement of property damaged by Hurricane Laura. The City also had a special item consisting of a federal grant of \$1,522,893 from FEMA for the hurricane expenditures.

M. Estimates

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

N. Pensions

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

The financial statements were prepared using the accrual basis of accounting. Member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contributions are recognized when due and payable in accordance with the statutes governing MPERS, MERS and FRS. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value on a trade date basis. The fiduciary net position is reflected in the measurement of the City's proportionate share of the plans net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense.

Financial reporting information pertaining to the City's participation in the MPERS, MERS and FRS is prepared in accordance with Governmental Accounting Standards Board "GASB" Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which have been adopted by the City for the fiscal year ended September 30, 2024.

O. Deferred Outflows/Inflows of Resources

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGET INFORMATION: The City uses the following budget practices:

1. The Director of Finance submits to the Mayor and City Council a proposed operating budget no later than fifteen days prior to the beginning of each fiscal year. The operating budget includes proposed expenditures and the means of financing them. For the fiscal year beginning October 1, 2023 and ending September 30, 2024, the budget was submitted to the City Council on August 28, 2023, and the public hearing was called for. After the public hearing was held, the budget was adopted by ordinance of the City Council.
2. Budgetary appropriations lapse at the end of each fiscal year.
3. 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 by the City Council.
4. Amendments to the budget are approved by the City Council by a formal adoption of an ordinance. The original budget is amended as necessary and all amendments are reflected in the budget comparisons in the financial statements.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds.

3. CASH AND CASH EQUIVALENTS

At September 30, 2024, the City has cash and cash equivalents (book balances) totaling \$5,509,740 as follows:

Interest bearing demand deposits	\$ 26,276
Demand deposits	156,909
Time deposits	166,496
Money market investment accounts	5,159,709
Petty cash	350
Total	<u>\$ 5,509,740</u>

The cash and cash equivalents of the City of DeRidder, Louisiana are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits. Under state law, the 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 at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the City's name.

At September 30, 2024, the City has \$5,778,370 in deposits (collected bank balances). These deposits are secured from risk by \$1,564,308 of federal deposit insurance and \$4,214,062 of pledged securities held by an unaffiliated bank of the pledgor bank. These deposited pledged securities are deemed by law to be under the control and possession and in the name of the City and are therefore properly collateralized.

City of DeRidder, Louisiana

Notes to the Financial Statements (Continued)

4. RECEIVABLES

The receivables of \$3,113,400 at September 30, 2024, are as follows:

<u>Class of receivable</u>	<u>General Fund</u>	<u>Proprietary Funds</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Taxes:				
Franchise	\$ 140,112	\$ -	\$ -	\$ 140,112
Alcohol	4,295	-	-	4,295
Sales	-	-	710,320	710,320
Intergovernmental:				
Federal grants	1,275,987	-	-	1,275,987
State grants	91,852	170,504	-	262,356
Local grants	16,122	-	-	16,122
Accounts	58,261	645,947	-	704,208
Total	<u>\$ 1,586,629</u>	<u>\$ 816,451</u>	<u>\$ 710,320</u>	<u>\$ 3,113,400</u>

5. INTERFUND RECEIVABLES/PAYABLES

The following due to/from balances exists due to payments made out of one fund that relate to the other fund. The balance in each respective due to/from account is expected to be paid within the current year.

	<u>Due from</u>	<u>Due to</u>
General Fund	\$ -	\$ 1,225,820
Sales Tax Fund	1,900,820	-
Utility Fund	-	678,752
Capital Projects Fund	3,752	-
Total	<u>\$ 1,904,572</u>	<u>\$ 1,904,572</u>

6. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended September 30, 2024, for the primary government is as follows:

City of DeRidder, Louisiana

Notes to the Financial Statements (Continued)

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 942,862	\$ -	\$ -	\$ 942,862
Work in progress	2,987,010	1,322,716	4,201,446	108,280
Total capital assets not being depreciated	<u>\$ 3,929,872</u>	<u>\$ 1,322,716</u>	<u>\$ 4,201,446</u>	<u>\$ 1,051,142</u>
Capital assets being depreciated				
Buildings	\$ 7,973,719	\$ 1,603,195	\$ -	\$ 9,576,914
Improvements other than buildings	12,048,761	2,912,121	-	14,960,882
Machinery and equipment	3,039,756	143,067	48,188	3,134,635
Guns	30,548	-	-	30,548
Vehicles	4,041,216	1,591,132	158,372	5,473,976
Utility fund asset	598,493	-	-	598,493
Total capital assets being depreciated	<u>\$ 27,732,493</u>	<u>\$ 6,249,515</u>	<u>\$ 206,560</u>	<u>\$ 33,775,448</u>
Less accumulated depreciation for:				
Buildings	\$ 2,874,734	\$ 225,711	\$ -	\$ 3,100,445
Improvements other than buildings	3,840,279	430,153	-	4,270,432
Machinery and equipment	1,600,716	222,790	48,188	1,775,318
Guns	16,316	2,340	-	18,656
Vehicles	2,488,347	332,951	158,372	2,662,926
Utility fund asset	280,538	14,962	-	295,500
Total accumulated depreciation	<u>\$ 11,100,930</u>	<u>\$ 1,228,907</u>	<u>\$ 206,560</u>	<u>\$ 12,123,277</u>
Total capital assets being depreciated, net	<u>\$ 16,631,563</u>	<u>\$ 5,020,608</u>	<u>\$ -</u>	<u>\$ 21,652,171</u>
	Beginning Balance	Increase	Decrease	Ending Balance
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 57,221	\$ -	\$ -	\$ 57,221
Construction in progress	668,483	1,059,980	772,956	955,507
Total capital assets not being depreciated	<u>\$ 725,704</u>	<u>\$ 1,059,980</u>	<u>\$ 772,956</u>	<u>\$ 1,012,728</u>
Capital assets being depreciated				
Utility plant and improvements	\$ 38,950,665	\$ 918,070	\$ -	\$ 39,868,735
Furniture and equipment	130,479	7,753	-	138,232
Vehicles	393,449	-	15,197	378,252
Total capital assets being depreciated	<u>\$ 39,474,593</u>	<u>\$ 925,823</u>	<u>\$ 15,197</u>	<u>\$ 40,385,219</u>
Less accumulated depreciation for:				
Utility plant and improvements	\$ 27,658,360	\$ 751,523	\$ -	\$ 28,409,883
Furniture and equipment	97,750	11,398	-	109,148
Vehicles	308,321	19,486	15,197	312,610
Total accumulated depreciation	<u>\$ 28,064,431</u>	<u>\$ 782,407</u>	<u>\$ 15,197</u>	<u>\$ 28,831,641</u>
Total business-type assets being depreciated, net	<u>\$ 11,410,162</u>	<u>\$ 143,416</u>	<u>\$ -</u>	<u>\$ 11,553,578</u>

City of DeRidder, Louisiana

Notes to the Financial Statements (Continued)

Depreciation expense of \$1,228,907 for the year ended September 30, 2024, was charged to the following governmental functions:

Public works	\$ 345,408
Public safety	477,797
General administration	83,449
Recreation	230,788
Transit	46,735
Unallocated	44,730
Total	<u>\$ 1,228,907</u>

7. INVESTED IN CAPITAL ASSETS – NET

	Governmental Activities	Business-type Activities	Total
Capital assets not being depreciated	\$ 1,051,142	\$ 1,012,728	\$ 2,063,870
Capital assets being depreciated	33,775,448	40,983,711	74,759,159
Total capital assets	<u>\$ 34,826,590</u>	<u>\$ 41,996,439</u>	<u>\$ 76,823,029</u>
Less:			
Accumulated depreciation	\$ 12,123,277	\$ 29,430,133	\$ 41,553,410
Related debt	781,215	-	781,215
Total	<u>\$ 12,904,492</u>	<u>\$ 29,430,133</u>	<u>\$ 42,334,625</u>
Net investment in capital assets	<u>\$ 21,922,098</u>	<u>\$ 12,566,306</u>	<u>\$ 34,488,404</u>

8. CONSTRUCTION COMMITMENTS

The City has the following active construction projects as of September 30, 2024. The City Street Overlay Project is for overlaying streets within the city limits with asphalt, the Roberts/LeCompte Street Project is for water line replacement, Mays St. is rehabilitation of the elevated water tank, and the West Park Project is for upgrades to playground equipment in the park. At year-end, the commitments with contractors were as follows:

Projects	Spent to Date	Remaining Commitment
Roberts/LeCompte Street Project	\$ 340,442	\$ 344,558
2024 Street Overlay Project	61,764	1,031,876
Mays St. Elevated Tank Rehabilitation	615,065	207,936
West Park Renovations	46,516	203,484

9. INTERFUND TRANSFERS

	Transfer in	Transfer out
Utility fund	\$ 759,600	\$ 45,000
General fund	5,628,714	93,000
Sales tax fund	48,000	6,433,314
HRA fund	135,000	-
Total	<u>\$ 6,571,314</u>	<u>\$ 6,571,314</u>

Transfers out of the special revenue sales tax fund are made to other various funds as required by law. Other transfers are made between funds as needed for certain financing activities.

City of DeRidder, Louisiana

Notes to the Financial Statements (Continued)

10. ACCOUNTS AND OTHER PAYABLES

The payables of \$752,642 at September 30, 2024, are as follows:

	General Fund	Proprietary Fund	Sales Tax Fund	Total
Retirement	\$ 132,183	\$ -	\$ -	\$ 132,183
Payroll withholdings	148,761	-	-	148,761
Accounts	125,627	158,234	104,121	387,982
Accrued interest	36,416	-	-	36,416
Contracts	-	47,300	-	47,300
Total	<u>\$ 442,987</u>	<u>\$ 205,534</u>	<u>\$ 104,121</u>	<u>\$ 752,642</u>

11. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended September 30, 2024.

	Proprietary Fund						
	Compensated Absences	Other Postemployment Benefits	Net Pension Liability	Customer Deposits	Total		
Long-term obligations at beginning of year	\$ 165,686	\$ 1,214,564	\$ 822,401	\$ 150,601	\$ 2,353,252		
Additions	136,294	43,505	38,758	38,050	256,607		
Reductions and adjustments	-	-	-	-	-		
Principal and other payments	-	(40,914)	(161,662)	(25,106)	(227,682)		
Compensated absences used	(105,450)	-	-	-	(105,450)		
Long-term obligations at end of year	\$ 196,530	\$ 1,217,155	\$ 699,497	\$ 163,545	\$ 2,276,727		
	Governmental Funds						
	Compensated Absences	Other Postemployment Benefits	Net Pension Liability	Bonded Debt	Certificates of Indebtedness	Capital Lease Note	Total
Long-term obligations at beginning of year	\$ 680,644	\$ 4,950,736	\$ 8,562,137	\$ 100,000	\$ 2,102,923	\$ -	\$ 16,396,440
Additions	489,229	935,256	-	-	-	791,521	2,216,006
Reductions and adjustments	-	-	(77,868)	-	-	-	(77,868)
Principal and other payments	-	(191,418)	(1,153,264)	(50,000)	(1,000,000)	(60,306)	(2,454,988)
Compensated absences used	(475,865)	-	-	-	-	-	(475,865)
Long-term obligations at end of year	\$ 694,008	\$ 5,694,574	\$ 7,331,005	\$ 50,000	\$ 1,102,923	\$ 731,215	\$ 15,603,725

City of DeRidder, Louisiana

Notes to the Financial Statements (Continued)

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of September 30, 2024:

		Proprietary Fund				
		Other				
		Compensated Absences	Postemployment Benefits	Net Pension Liability	Customer Deposits	Total
Current portion	\$	-	\$ -	\$ -	\$ -	\$ -
Long-term portion		196,530	1,217,155	699,497	163,545	2,276,727
Total	\$	196,530	\$ 1,217,155	\$ 699,497	\$ 163,545	\$ 2,276,727

		Governmental Funds					
		Other					
		Compensated Absences	Postemployment Benefits	Net Pension Liability	Bonded Debt	Certificates of Indebtedness	Capital Lease Note
Current portion	\$	-	\$ -	\$ -	\$ 50,000	\$ -	\$ 67,004
Long-term portion		890,538	5,694,574	7,331,005	-	1,102,923	664,211
Total	\$	890,538	\$ 5,694,574	\$ 7,331,005	\$ 50,000	\$ 1,102,923	\$ 731,215

Bonded debt is comprised of the following issue at September 30, 2024:

Bonded Debt – Governmental Funds:

\$500,000 Series 2014 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds
Due in annual installments of \$50,000 through December 1, 2024;
Interest at the rate of 3.25% \$50,000

Certificates of Indebtedness – Governmental Funds:

\$2,102,923 Series 2020 Excess Revenue Certificates of Indebtedness.
Interest only at the rate of 2.65% paid semiannually on June 1st and December 1st through August 22, 2023, then a rate of 3.91% for the first five years then \$100,000 principal payments each December 1st with interest paid June 1st and December 1st until December 1st, 2030 at which time the principal balance will all be due. \$1,102,923

Capital Lease Note – Governmental Funds:

\$791,521 dated January 19, 2023 Capital Lease Note. Interest at the rate of 4.91% paid annually on March 15th. Installment payments of \$51,454 paid annually on March 15th through January 15, 2033. \$731,215

The City secured certificates of indebtedness line of credit for \$5,000,000 during prior years for expenditures relating to Hurricane Laura. The City originally borrowed \$2,055,450 and repaid \$1,025,820 when they received a FEMA grant leaving a balance of \$1,029,630, and in the prior year the City accessed an additional \$1,073,293 on the line of credit, this year repaid \$1,000,000 when they received another FEMA grant, the balance will be repaid with excess City revenues within ten years. The City does not expect to access any of the existing line of credit.

The annual requirements to amortize all bonds, certificates of indebtedness, and capital lease note outstanding at September 30, 2024, for the City of DeRidder are as follows:

City of DeRidder, Louisiana

Notes to the Financial Statements (Continued)

Year Ending September 30,	Principal Payments	Interest Payments	Total
2025	\$ 83,502	\$ 61,887	\$ 145,389
2026	35,147	59,430	94,577
2027	136,873	54,429	191,302
2028	138,683	48,738	187,421
2029	1,349,350	32,817	183,512
2030-2031	140,583	42,929	1,382,167
Total	<u>\$ 1,884,138</u>	<u>\$ 300,230</u>	<u>\$ 2,184,368</u>

In accordance with R.S. 39:562, the City is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At September 30, 2024, the statutory limit is \$31,297,343 and outstanding bonded debt totals \$50,000.

12. FUND BALANCES

The governmental funds had fund balances as follows:

	General Fund	Sales Tax Fund	LCDBG Fund	American Rescue Plan Act Fund	Total
Fund Balances:					
Restricted for:					
Sales taxes	\$ -	\$ 4,433,825	\$ -	\$ -	\$ 4,433,825
Bond retirement	1,828	-	-	-	1,828
Police/Fire capital improvements	322,962	-	-	-	322,962
Covid related expenditures	-	-	-	38,048	38,048
Assigned to:					
Perpetual care	1,577	-	-	-	1,577
Transit services	22,359	-	-	-	22,359
Capital improvements	-	-	3,757	-	3,757
Unassigned:	<u>2,554,543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,554,543</u>
Total fund balances	<u>\$ 2,903,269</u>	<u>\$ 4,433,825</u>	<u>\$ 3,757</u>	<u>\$ 38,048</u>	<u>\$ 7,378,899</u>

13. RETIREMENT SYSTEMS

Substantially all employees of the City of DeRidder are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana, Municipal Police Employees Retirement System of Louisiana and the Firefighters Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Municipal Employees Retirement System of Louisiana (System)

Plan Description. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the City are members of Plan B.

City of DeRidder, Louisiana

Notes to the Financial Statements (Continued)

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life equal to 2% of their final-average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3% for each year retirement precedes age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100% of final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Funding Policy. Under Plan B, members are required by state statute to contribute 5% of their annual covered salary and the City of DeRidder is required to contribute at an actuarially determined rate. The current rate is 14.00% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City of DeRidder are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of DeRidder's contributions to the System under Plan B for the years ending September 30, 2024, 2023 and 2022, were \$368,047, \$349,168, and \$346,595, respectively, equal to the required contributions for each year.

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

At September 30, 2024, the City reported a liability of \$1,593,388 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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 municipalities, actuarially determined. At June 30, 2024 the City's proportion was 2.626002%, which was an increase of .043238% from its proportion measured as of June 30, 2023.

For the year ended September 30, 2024, the municipality recognized pension expense of \$254,573 minus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$76,855. At September 30, 2024, the municipality recognized deferred outflows of resources and deferred inflows of resources related to pension from the following:

City of DeRidder, Louisiana

Notes to the Financial Statements (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,130	\$ 13,032
Changes of assumptions	-	59,313
Net difference between projected and actual earnings on pension plan investments	57,350	-
Changes in proportion and differences between City contributions and proportionate share of contributions	19,792	917
Differences between employer and proportionate share of contributions	-	2,818
City contributions subsequent to the measurement date	94,108	-
Total	<u>\$ 186,380</u>	<u>\$ 76,080</u>

The \$94,108 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2025	\$ (16,241)
2026	115,917
2027	(47,529)
2028	(35,955)
Total	<u>\$ 16,192</u>

Actuarial Methods and Assumptions

Net Pension Liability

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The components of the net pension liability of the City of DeRidder for Plan B are as follows:

	Plan B June 30, 2024
Total pension liability	\$ 8,006,925
Plan fiduciary net position	(6,413,537)
City's net pension liability	<u>\$ 1,593,388</u>
Plan fiduciary net position as a % of the total pension liability	80.10%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Actuarially determined amounts regarding the net pension liability are subject to continual revision as actual results are compared to past expectations, and new estimates are made about the future.

City of DeRidder, Louisiana

Notes to the Financial Statements (Continued)

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Information on the actuarial valuation and assumptions is as follows:

Valuation date	June 30, 2024
Actuarial cost method	Entry Age Normal
Expected remaining service lives	3 years
Investment rate of return	6.85% net of pension plan investment expense, including inflation
Inflation Rate	2.50%
Salary increases, including inflation and merit increases:	
- 1 to 2 years of service	9.50%
- More than 2 years of service	4.60%
Annuitant and beneficiary mortality	PubG-2010(B) Healthy Retiree Table set equal to 115% for males and females each adjusted using their respective male and female MP2018 scales.
Employee mortality	PubG-2010(B) Employee Table set equal to 115% for males and females each adjusted using their respective male and female MP2018 scales.
Disabled lives mortality	PubNS-2010(B) Disabled Retiree Table set equal to 115% for males and 120% for females with full generational MP2021 scale.

Discount Rate

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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

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

City of DeRidder, Louisiana

Notes to the Financial Statements (Continued)

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public equity	56.00%	2.44%
Public fixed income	29.00%	1.26%
Alternatives	15.00%	0.65%
Totals	100.00%	4.35%
Inflation		2.50%
Expected Arithmetic Nominal Return		6.85%

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

Sensitivity to Changes in Discount Rate

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

	Changes in Discount Rate:		
	1.00% Decrease 5.85%	Current Discount Rate 6.85%	1.00% Increase 7.85%
Net Pension Liability	\$ 2,474,165	\$ 1,593,388	\$ 848,986

These financial statements include a payable to the pension plan of \$358,704, which is the legally required contribution due at September 30, 2024. This amount is recorded in accrued expenses.

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

The effect on net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period.

B. Municipal Police Employees Retirement System of Louisiana (System)

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average

City of DeRidder, Louisiana

Notes to the Financial Statements (Continued)

salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 10% and 8% for MPERS and MPERS dispatchers respectively of their annual covered salary and the City of DeRidder is required to contribute at an actuarially determined rate. The current rate is 35.60% and 35.60% for MPERS and MPERS dispatchers respectively of annual covered payroll. The contribution requirements of plan members and the City of DeRidder are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of DeRidder's contributions to the System for the years ending September 30, 2024, 2023 and 2022, were \$576,467, \$505,919, and \$482,660 respectively, equal to the required contributions for each year.

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

At September 30, 2024, the City reported a liability of \$4,278,901 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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 municipalities, actuarially determined. At June 30, 2024 the City's proportion was .472287%, which was an increase of .013758% from its proportion measured as of June 30, 2023.

For the year ended September 30, 2024, the municipality recognized pension expense of \$727,940, minus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$92,275. At September 30, 2024, the municipality recognized deferred outflows of resources and deferred inflows of resources related to pension from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 231,671	\$ 129,438
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	118,951	-
Changes in proportion and differences between City contributions and proportionate share of contributions	90,325	-
Difference between employer and proportionate share of contributions	88,092	90,230
City contributions subsequent to the measurement date	157,876	-
Total	<u>\$ 686,915</u>	<u>\$ 219,668</u>

The \$157,876 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

City of DeRidder, Louisiana

Notes to the Financial Statements (Continued)

Year ended September 30:		
2025	\$	95,094
2026		404,051
2027		(114,792)
2028		(74,982)
Total	\$	<u>309,371</u>

Actuarial Methods and Assumptions

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The components of the net pension liability of the City of DeRidder as of June 30, 2024 are as follows:

Total Pension Liability	\$	17,710,862
Plan Fiduciary Net Pension		(13,431,961)
Total Net Pension Liability	\$	<u>4,278,901</u>

Plan fiduciary net position as a %
of the total pension liability 75.84%

The actuarial assumptions used in the June 30, 2024 valuation were based on the assumptions used in the June 30, 2024 actuarial funding valuation and were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience.

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

Valuation Date	June 30, 2024	
Actuarial Cost Method	Entry Age Normal Cost	
Investment Rate of Return	6.75%, net of investment expense	
Expected Remaining Service Lives	2024 – 4 years 2023 – 4 years 2022 – 4 years 2021 – 4 years	
Inflation Rate	2.50%	
Salary increases, including inflation and merit	<u>Years of Service</u> 1 – 2 Above 2	<u>Salary Growth Rate</u> 12.30% 4.70%
Mortality	For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.	

City of DeRidder, Louisiana

Notes to the Financial Statements (Continued)

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

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

Cost-of-Living Adjustments

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

The mortality rate assumption used was set based upon an experience study for the period July 1, 2014 through June 30, 2019. A change was made with full generational mortality which combines the use of a base mortality table with appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combined with a standard table to produce current levels of mortality.

The forecasted 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 weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long-term rate of return is 7.86% for the year ended June 30, 2024.

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

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Equity	52.00%	3.14%
Fixed income	34.00%	1.07%
Alternatives	14.00%	1.03%
Totals	100.00%	5.24%
Inflation		2.62%
Expected Arithmetic Return		7.86%

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of DeRidder, Louisiana

Notes to the Financial Statements (Continued)

Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the City of DeRidder calculated using the discount rate of 6.75%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.75%, or one percentage point higher 7.75% than the current rate as of June 30, 2024:

	Changes in Discount Rate:		
	1.00% Decrease 5.75%	Current Discount Rate 6.75%	1.00% Increase 7.75%
Net Pension Liability	\$ 6,356,201	\$ 4,278,901	\$ 2,544,758

These financial statements include a payable to the pension plan of \$59,244, which is the legally required contribution due at September 30, 2024. This amount is recorded in accrued expenses.

C. Firefighters' Retirement System of Louisiana

Plan Description. Membership in the Louisiana Firefighters' Retirement System is mandatory for all full-time firefighters employed by a municipality, parish, or fire protection district that did not enact an ordinance before January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 % of their final-average salary for each year of creditable service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, P. O. Box 94095, Baton Rouge, LA, 70804; or by calling (225) 925-4060.

Funding Policy. Plan members are required by state statute to contribute 10% of their annual covered salary and the City of DeRidder is required to contribute at an actuarially determined rate. The current rate is 33.25% of annual covered payroll. The contribution requirements of plan members and the City of DeRidder are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of DeRidder's contributions to the System for the years ending September 30, 2024, 2023, and 2022, were \$370,372, \$346,256, and \$353,165, respectively, equal to the required contributions for each year.

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

At September 30, 2024, the City reported a liability of \$2,158,213 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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 municipalities, actuarially determined. At June 30, 2024, the City's proportion was .383302%, which was an increase of .001591% from its proportion measured as of June 30, 2023.

City of DeRidder, Louisiana

Notes to the Financial Statements (Continued)

For the year ended September 30, 2024, the municipality recognized pension expense of \$400,976, plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$4,831. At September 30, 2024, the municipality recognized deferred outflows of resources and deferred inflows of resources related to pension from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 162,033	\$ 51,327
Changes of assumptions	92,329	-
Net difference between projected and actual earnings on pension plan investments	21,831	-
Changes in proportion and differences between City contributions and proportionate share of contributions	22,526	650
Difference between employer and proportionate share of contributions	162,594	26,347
City contributions subsequent to the measurement date	98,919	-
Total	<u>\$ 560,232</u>	<u>\$ 78,324</u>

The \$98,919 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:		
2025	\$	39,570
2026		306,426
2027		(7,847)
2028		(6,447)
2029		31,306
2030		19,981
Total	<u>\$</u>	<u>382,989</u>

Actuarial Methods and Assumptions

The net position liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The components of the net pension liability of the City of DeRidder as of June 30, 2024 are as follows:

Total Pension Liability	\$ 11,779,670
Plan Fiduciary Net Pension	<u>(9,621,457)</u>
Total Net Pension Liability	<u>\$ 2,158,213</u>

Plan fiduciary net position as a %
of the total pension liability 81.68%

For each year, the actuary determines the reasonable range of the actuarial valuation interest rate, an expected long-term portfolio rate of return and standard deviation based upon the System's target asset allocation and a long-term time horizon. These rates were based on an analysis of the System's portfolio along with expected long-term rates

City of DeRidder, Louisiana

Notes to the Financial Statements (Continued)

of return, standard deviations of return, and correlations between asset classes collected from a number of investment consulting firms in addition to the System's investment consultant, NEPC. Using these values and assuming that future portfolio returns are normally distributed, ten thousand trials of returns over the upcoming thirty years was performed. The results of these trials were organized into percentiles and a reasonable range equal to the 40th through 60th percentiles was set. For the fiscal year ended June 30, 2024, the reasonable range was set at 6.73% through 7.91% and the Board of Trustees elected to set the System's assumed rate of return at 6.90% for Fiscal 2024.

The remaining actuarial assumptions utilized for this report are based on the results of an actuarial experience study completed September 24, 2020, for the period July 1, 2014 – June 30, 2019, unless otherwise specified in this report. Additional details are given in the actuary's complete 2020 Experience Study Report for the period July 1, 2014 – June 30, 2019 which can be obtained from the Firefighters' Retirement System website at www.lafrs.com under the Finance tab, Actuarial Valuations section.

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

Valuation Date	June 30, 2024
Actuarial Cost Method for Financial Reporting	Entry Age Normal
Expected Remaining Service Lives	7 years, closed period
Investment Rate of Return (discount rate)	6.90% per annum (net of investment expenses, including inflation)
Inflation Rate	2.50% per annum
Salary Increases	14.10% in the first two years of service and 5.20% with 3 or more years of service; includes inflation and merit increases
Cost of Living Adjustments (COLAs)	For the purpose of determining the present value of benefits, COLAs were deemed not to be substantively automatic and only those previously granted were included.

For the June 30, 2024 valuation, assumptions for mortality rates were based on the following:

- For active members, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees.
- For annuitants and beneficiaries, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees.
- For disabled retirees, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees.
- In all cases the base table was multiplied by 105% for males and 115% for females, each with full generational projection using the appropriate MP2019 scale.

The long-term expected real rate of return is an important input into the actuary's determination of the reasonable range for the discount rate which is used in determining the total pension liability. The actuary's method incorporates information from multiple consultants and investments firms regarding future expected rates of return, standard deviations, and correlation coefficients for each asset class. The process integrates data from multiple sources to produce average values thereby reducing reliance on a single data source.

City of DeRidder, Louisiana

Notes to the Financial Statements (Continued)

The June 30, 2024 estimated long-term expected rate of return on pension plan investments was determined by the Systems actuary using the System's target asset allocation as of January 2024 and the G.S. Curran & Company Consultant Average study for 2024. The consultants' average study included projected nominal rates of return, standard deviations of returns, and correlations of returns for a list of common asset classes collected from a number of investment consultants and investment management firms. Each consultant's response included nominal expected long term rates of return. In order to arrive at long term expected arithmetic real rates of return, the actuary normalized the data received from the consultant's responses in the following ways. Where nominal returns received were arithmetic, the actuary simply reduced the return assumption by the long term inflation assumption. Where nominal returns were geometric, the actuary converted the return to arithmetic by adjusting for the long term standard deviation and then reduced the assumption by the long term inflation assumption. Using the target asset allocation for the System and the average values for expected real rates of return, standard deviation of returns, and correlation of returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. The target asset allocation changed slightly from June 30, 2023 to June 30, 2024. These changes included a decrease to target weight in U.S. public equity, a decrease to emerging market equity, a decrease to U.S. Core fixed income, and an increase to multisector fixed income. The System's long-term assumed rate of inflation of 2.50% was used in this process for the fiscal year ended June 30, 2024.

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

As of June 30, 2023

	Asset Type	Target Asset Allocation	Long-Term Expected Real Rate of Return
Equity	U.S. Equity	28.50%	6.24%
	Non-U.S. Equity	11.00%	6.36%
	Global Equity	10.00%	6.42%
	Emerging Market Equity	4.50%	8.26%
Fixed Income	U.S. Core Fixed Income	22.00%	2.09%
	U.S. TIPS	2.00%	2.00%
	Emerging Market Debt	2.00%	4.05%
	Global Multisector Fixed Income	4.00%	2.34%
Alternatives	Real Estate	4.00%	4.85%
	Private Equity	9.00%	9.77%
	Real Assets	3.00%	5.93%
		100.00%	

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined rates approved by the Board of Trustees and by the Public Retirement Systems' Actuarial Committee taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the City of DeRidder calculated using the discount rate of 6.90%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.90%, or one percentage point higher 7.90% than the current rate as of June 30, 2024:

City of DeRidder, Louisiana

Notes to the Financial Statements (Continued)

Changes in Discount Rate:			
	1.00% Decrease 5.90%	Current Discount Rate 6.90%	1.00% Increase 7.90%
Net Pension Liability	\$ 3,583,080	\$ 2,158,213	\$ 969,730

These financial statements include a payable to the pension plan of \$37,069, which is the legally required contribution due at September 30, 2024. This amount is recorded in accrued expenses.

14. POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

Plan description – The City of DeRidder (the City) provides certain continuing health care and life insurance benefits for its retired employees. The City of DeRidder's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the City. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the City. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

Benefits Provided – Medical, dental and life insurance benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees retirement eligibility (D.R.O.P. entry) provisions are as follows: attainment of Medical benefits are provided through a medical plan and are made available to employees upon actual retirement. The employees are covered by one of three retirement systems: first, the Municipal Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 25 years of service at any age; or, age 60 and 10 years of service; second, the Firefighters' Retirement System of Louisiana, and, third, the Municipal Police Retirement System of Louisiana. Both the Fire and Police systems have retirement eligibility (D.R.O.P. entry) provisions as follows: 25 years of service at any age; age 50 and 20 years; or, age 55 and 12 years of service. For each system, employees hired on and after January 1, 2013 must meet the following retirement (D.R.O.P. entry) requirements: age 55 and 30 years of service; age 62 and 10 years of service; or age 67 and 7 years of service.

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) for \$10,000 face amount is paid by the employer.

Employees covered by benefit terms – At September 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	57
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	116
Total	173

Total OPEB Liability

The City's total OPEB liability of \$6,911,729 was measured as of September 30, 2024 and was determined by an actuarial valuation as of that date.

Actual Assumptions and other inputs - The total OPEB liability in the September 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

City of DeRidder, Louisiana

Notes to the Financial Statements (Continued)

Inflation	3.00%
Salary increases	3.00, including inflation
Discount rate	4.09% annually (Beginning of Year to Determine ADC)
	3.81%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Getzen Model, initial trend of 5.50%
Mortality	Pub-2010/2021

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of September 30, 2024, the end of the applicable measurement period.

The actuarial assumptions used in the September 30, 2024 valuation were based on the results of ongoing evaluations of the assumptions from October 1, 2009 to September 30, 2024.

Changes in Total OPEB Liability

Balance as of September 30, 2023	\$ 6,165,300
Changes for the year:	
Service cost	164,981
Interest	255,535
Difference between expected and actual experience	288,869
Change in assumptions	269,376
Benefit payments and net transfers	(232,332)
Net changes	<u>746,429</u>
Balance as of September 30, 2024	<u>\$ 6,911,729</u>

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 (2.81%) or 1-percentage-point higher (4.81%) than the current discount rate:

	1.00% Decrease 2.81%	Current Discount Rate 3.81%	1.00% Increase 4.81%
Total OPEB liability	\$ 8,140,169	\$ 6,911,729	\$ 5,949,172

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – 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 (4.5%) or 1-percentage-point higher (6.50%) than the current healthcare trend rates:

	1.00% Decrease 4.50%	Current Trend Rate 5.50%	1.00% Increase 6.50%
Total OPEB liability	\$ 5,987,294	\$ 6,911,729	\$ 8,085,683

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

For the year ended September 30, 2024, the City recognized OPEB expense of \$(1,381,734). At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

City of DeRidder, Louisiana

Notes to the Financial Statements (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 252,170	\$ 3,651,622
Changes of assumptions	281,406	2,823,059
Total	<u>\$ 533,576</u>	<u>\$ 6,474,681</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30:	
2025	\$ (1,802,250)
2026	(1,802,250)
2027	1,287,878
2028	1,050,726
2029	-
Thereafter	-

15. DEFERRED COMPENSATION

The City of DeRidder offers membership in the State of Louisiana, Public Employees Deferred Compensation Plan, a qualified retirement plan under section 457 of the Internal Revenue Code administered by Great West Life and Annuity Insurance Company.

The Louisiana Deferred Compensation Plan provides state, parish, and municipal employees with the opportunity to invest money on a before-tax basis, using payroll deduction. Participants defer federal and state income tax on their contributions. In addition, interest or earnings on the account accumulates tax-deferred. Participants may join the plan with as little as \$10 per pay period, or \$20 per month, and contribute up to a maximum of 25% of taxable compensation, not to exceed \$20,500 for calendar year 2023 and \$23,000 for calendar year 2024 for those participants under age 50. For participants age 50 and older, the limit is an additional \$6,500 for calendar year 2023 and \$7,500 for calendar year 2024.

A special "catch-up" provision may be used to invest an amount determined by using a special formula per year for the three years prior to retirement. Any amount excluded from gross income through salary reduction under a 403(b) annuity, a 401(k) profit-sharing plan or a Simplified Employee Pension (SEP) is to be treated as amounts deferred under this deferred compensation plan. Participants joining the Plan may choose the amount to contribute and the investment option(s). They may revise their choice at any time, transfer monies to other available investment options and may increase, decrease or stop deferrals at any time. The Plan offers both a guaranteed option and variable investment options, from which participants may select a fund or combination of funds to satisfy their personal investment objectives. Each of the funds has independent investment objectives and utilizes different investment strategies. With the exception of the Great-West Guaranteed Fund, the remaining investments options are variable in nature. Values of the variable options are not guaranteed as to a fixed dollar amount and may increase or decrease according to the investment experience of the underlying portfolio. The expense to administer the Plan is borne by all participants. The administrative fee is based on the investments selected and is assessed on each of the options selected. The variable options also have investment management fees that vary based upon the options chosen. Both the administrative and investment management fees are calculated and deducted daily on a pro-rata basis. There are no annual contract charges or transaction charges. At retirement, 100% of the account value will be applied to any of the following settlement options chosen. These options include among others:

- Periodic payment
- Payments over your lifetime
- Payments for a specific time or amount

City of DeRidder, Louisiana

Notes to the Financial Statements (Concluded)

- Joint and survivor benefits
- Lump-sum payment
- Any combination of the above option

The Plan is administered by Great-West Life and Annuity Insurance Company; 2237 South Acadian Thruway, Suite 702; Baton Rouge, LA 70808; (800) 937-7604 or (225) 926-8086.

REQUIRED SUPPLEMENTAL INFORMATION

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual Amount	Budget to Actual differences over (under)
	Original	Final		
Revenues				
Taxes:				
Ad valorem	\$ 930,000	\$ 958,600	\$ 958,594	\$ (6)
Insurance premium tax	85,000	74,900	74,884	(16)
Franchise tax	640,000	636,800	636,829	29
Alcohol tax	22,000	18,800	18,760	(40)
Intergovernmental:				
Federal grants	180,000	133,000	137,281	4,281
State grants	1,000	116,900	112,668	(4,232)
Local grants	72,500	80,100	81,313	1,213
Occupational licenses and permits	657,100	701,500	698,380	(3,120)
Fees and charges for services	284,800	236,800	239,753	2,953
Supplemental pay	-	27,800	27,800	-
Investment income	64,000	122,000	121,879	(121)
Rental income	50,400	46,500	46,450	(50)
Donations	6,300	14,400	14,454	54
Miscellaneous	-	3,700	3,640	(60)
Total revenues	<u>\$ 2,993,100</u>	<u>\$ 3,171,800</u>	<u>\$ 3,172,685</u>	<u>\$ 885</u>
Expenditures				
Current operating:				
General government	\$ 1,344,100	\$ 1,387,100	\$ 1,380,239	\$ 6,861
Public safety	5,595,000	5,892,200	5,881,831	10,369
Culture & recreation	579,400	425,100	425,158	(58)
Transit	267,000	269,100	268,795	305
Debt service:				
Principal	752,900	1,152,900	1,110,306	42,594
Interest and charges	60,000	71,100	113,717	(42,617)
Capital outlay	1,085,400	1,279,700	1,274,691	5,009
Total expenditures	<u>\$ 9,683,800</u>	<u>\$ 10,477,200</u>	<u>\$ 10,454,737</u>	<u>\$ 22,463</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (6,690,700)</u>	<u>\$ (7,305,400)</u>	<u>\$ (7,282,052)</u>	<u>\$ 23,348</u>
Other financing sources (uses):				
Transfers in	\$ 4,558,300	\$ 5,628,700	\$ 5,628,714	\$ 14
Transfers out	(73,000)	(93,000)	(93,000)	-
Sale of assets	211,000	164,400	164,289	(111)
Insurance proceeds	2,000	13,200	-	(13,200)
Total other financing sources (uses)	<u>\$ 4,698,300</u>	<u>\$ 5,713,300</u>	<u>\$ 5,700,003</u>	<u>\$ (13,297)</u>

(Continued)

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual Amount	Budget to Actual differences over (under)
	Original	Final		
Special item:				
Hurricane related FEMA federal grant	\$ 1,877,300	\$ 1,522,900	\$ 1,522,893	\$ (7)
Extraordinary item:				
Hurricane Laura expenditures	\$ -	\$ (75,500)	\$ (75,498)	\$ 2
Net change in fund balance	\$ (115,100)	\$ (144,700)	\$ (134,654)	\$ 10,046
Fund balances at beginning of year	3,025,000	3,037,923	3,037,923	-
Fund balances at end of year	<u>\$ 2,909,900</u>	<u>\$ 2,893,223</u>	<u>\$ 2,903,269</u>	<u>\$ 10,046</u>
				(Concluded)

Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual Amount	Budget to Actual differences over (under)
	Original	Final		
Revenues				
Taxes:				
Sales	\$ 8,500,000	\$ 11,183,600	\$ 11,183,558	\$ (42)
Intergovernmental:				
State grants	1,500,000	725,400	725,367	(33)
Fees and charges for services	14,600	18,200	18,225	25
Investment income	60,000	70,700	70,684	(16)
Miscellaneous	5,000	-	-	-
Total revenues	<u>\$ 10,079,600</u>	<u>\$ 11,997,900</u>	<u>\$ 11,997,834</u>	<u>\$ (66)</u>
Expenditures				
General government	\$ 2,005,800	\$ 2,108,900	\$ 2,096,670	\$ 12,230
Public works	1,885,800	1,789,200	1,786,093	3,107
Capital outlay	2,285,000	1,165,000	1,164,892	108
Total expenditures	<u>\$ 6,176,600</u>	<u>\$ 5,063,100</u>	<u>\$ 5,047,655</u>	<u>\$ 15,445</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 3,903,000</u>	<u>\$ 6,934,800</u>	<u>\$ 6,950,179</u>	<u>\$ 15,379</u>
Other financing sources (uses):				
Transfers in	\$ 48,000	\$ 48,000	\$ 48,000	\$ -
Transfers out	(5,338,300)	(6,443,300)	(6,433,314)	9,986
Gain on sale of assets	3,000	3,100	3,087	(13)
Total other financing sources (uses)	<u>\$ (5,287,300)</u>	<u>\$ (6,392,200)</u>	<u>\$ (6,382,227)</u>	<u>\$ 9,973</u>
Net change in fund balance	\$ (1,384,300)	\$ 542,600	\$ 567,952	\$ 25,352
Fund balances at beginning of year	3,850,000	3,865,873	3,865,873	-
Fund balances at end of year	<u>\$ 2,465,700</u>	<u>\$ 4,408,473</u>	<u>\$ 4,433,825</u>	<u>\$ 25,352</u>

Schedule of the City's Proportionate Share of the Net Pension Liability
For the Year Ended September 30, 2024

Municipal Employees' Retirement System	September 30, 2015	September 30, 2016	September 30, 2017	September 30, 2018	September 30, 2019
City's proportion of the net pension liability (asset)	2.344638%	2.207840%	2.378633%	2.486741%	2.281325%
City's proportionate share of the net pension liability (asset)	\$ 1,593,625	\$ 1,830,097	\$ 2,058,071	\$ 2,103,365	\$ 1,995,734
City's covered-employee payroll	\$ 1,600,965	\$ 1,633,013	\$ 1,722,642	\$ 1,827,427	\$ 1,747,860
City's proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	99.53%	112.07%	119.47%	115.10%	114.18%
Plan fiduciary net position as a percentage of the total pension liability	68.71%	63.34%	63.49%	65.60%	66.14%
Municipal Police Employees' Retirement System					
City's proportion of the net pension liability (asset)	.415793%	.422343%	.415633%	.417967%	.416542%
City's proportionate share of the net pension liability (asset)	\$ 3,257,304	\$ 3,958,544	\$ 3,628,652	\$ 3,533,519	\$ 3,782,899
City's covered-employee payroll	\$ 1,086,385	\$ 1,219,395	\$ 1,179,592	\$ 1,262,063	\$ 1,308,204
City's proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	299.83%	324.63%	307.62%	279.98%	289.17%
Plan fiduciary net position as a percentage of the total pension liability	70.73%	66.04%	70.08%	71.89%	71.01%

(Continued)

Schedule of the City's Proportionate Share of the Net Pension Liability
For the Year Ended September 30, 2024

Municipal Employees' Retirement System	September 30, 2020	September 30, 2021	September 30, 2022	September 30, 2023	September 30, 2024
City's proportion of the net pension liability (asset)	2.365442%	2.306722%	2.593887%	2.582764%	2.626002%
City's proportionate share of the net pension liability (asset)	\$ 2,143,626	\$ 1,336,304	\$ 2,277,390	\$ 2,071,017	\$ 1,593,388
City's covered-employee payroll	\$ 1,736,487	\$ 1,806,953	\$ 2,242,789	\$ 2,244,477	\$ 2,439,553
City's proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	123.45%	73.95%	101.54%	92.27%	65.31%
Plan fiduciary net position as a percentage of the total pension liability	66.26%	79.14%	69.56%	73.25%	80.10%
 Municipal Police Employees' Retirement System					
City's proportion of the net pension liability (asset)	.425405%	.432067%	.480558%	.458529%	.472287%
City's proportionate share of the net pension liability (asset)	\$ 3,931,734	\$ 2,315,040	\$ 4,912,156	\$ 4,844,345	\$ 4,278,901
City's covered-employee payroll	\$ 1,294,191	\$ 1,304,211	\$ 1,517,774	\$ 1,559,411	\$ 1,669,380
City's proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	303.80%	177.53%	323.64%	310.65%	256.31%
Plan fiduciary net position as a percentage of the total pension liability	70.94%	84.09%	70.80%	71.30%	75.84%

(Continued)

Schedule of the City's Proportionate Share of the Net Pension Liability
For the Year Ended September 30, 2024

Firefighters' Retirement System	September 30, 2015	September 30, 2016	September 30, 2017	September 30, 2018	September 30, 2019
City's proportion of the net pension liability (asset)	.372604%	.373445%	.376419%	.341695%	.334554%
City's proportionate share of the net pension liability (asset)	\$ 2,010,986	\$ 2,442,668	\$ 2,157,577	\$ 1,965,456	\$ 2,094,947
City's covered-employee payroll	\$ 793,208	\$ 853,016	\$ 834,387	\$ 809,786	\$ 807,535
City's proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	253.52%	286.36%	258.58%	242.71%	259.42%
Plan fiduciary net position as a percentage of the total pension liability	72.45%	68.16%	73.54%	74.76%	73.96%

(Continued)

Schedule of the City's Proportionate Share of the Net Pension Liability
For the Year Ended September 30, 2024

Firefighters' Retirement System	September 30, 2020	September 30, 2021	September 30, 2022	September 30, 2023	September 30, 2024
City's proportion of the net pension liability (asset)	.322185%	.336335%	.377662%	.378313%	.383302%
City's proportionate share of the net pension liability (asset)	\$ 2,233,241	\$ 1,191,921	\$ 2,663,005	\$ 2,469,176	\$ 2,158,213
City's covered-employee payroll	\$ 726,775	\$ 819,459	\$ 1,050,290	\$ 1,039,125	\$ 1,113,902
City's proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	307.28%	145.45%	253.55%	237.62%	193.75%
Plan fiduciary net position as a percentage of the total pension liability	72.61%	86.78%	74.68%	77.69%	81.56%
					(Concluded)

Schedule of the City's Pension Contributions
For the Year Ended September 30, 2024

	September 30 2015	September 30 2016	September 30 2017	September 30 2018	September 30 2019
Municipal Employees' Retirement System					
Contractually required contribution	\$ 152,092	\$ 161,602	\$ 198,513	\$ 245,038	\$ 244,700
Contributions in relation to the contractually required contribution	<u>152,092</u>	<u>161,602</u>	<u>198,513</u>	<u>245,038</u>	<u>244,700</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 1,600,965	\$ 1,633,013	\$ 1,722,642	\$ 1,827,427	\$ 1,747,860
Contributions as a percentage of covered-employee payroll	9.50%	9.90%	11.52%	13.41%	14.00%
Municipal Police Employees' Retirement System					
Contractually required contribution	\$ 337,348	\$ 368,468	\$ 373,045	\$ 392,552	\$ 422,659
Contributions in relation to the contractually required contribution	<u>337,348</u>	<u>368,468</u>	<u>373,045</u>	<u>392,552</u>	<u>422,659</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 1,086,385	\$ 1,219,395	\$ 1,179,592	\$ 1,262,063	\$ 1,308,204
Contributions as a percentage of covered-employee payroll	31.05%	30.22%	31.62%	31.10%	32.31%
					(Continued)

Schedule of the City's Pension Contributions
For the Year Ended September 30, 2024

	September 30 2020	September 30 2021	September 30 2022	September 30 2023	September 30 2024
Municipal Employees' Retirement System					
Contractually required contribution	\$ 269,155	\$ 280,078	\$ 346,595	\$ 349,168	\$ 368,047
Contributions in relation to the contractually required contribution	<u>269,155</u>	<u>280,078</u>	<u>346,595</u>	<u>349,168</u>	<u>368,047</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 1,736,487	\$ 1,806,953	\$ 2,242,789	\$ 2,244,477	\$ 2,439,553
Contributions as a percentage of covered-employee payroll	15.50%	15.50%	15.50%	15.55%	15.09%
Municipal Police Employees' Retirement System					
Contractually required contribution	\$ 436,790	\$ 432,067	\$ 482,660	\$ 505,919	\$ 576,467
Contributions in relation to the contractually required contribution	<u>436,790</u>	<u>432,067</u>	<u>482,660</u>	<u>505,919</u>	<u>576,467</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 1,294,191	\$ 1,304,211	\$ 1,517,774	\$ 1,559,411	\$ 1,669,380
Contributions as a percentage of covered-employee payroll	33.75%	33.13%	31.80%	32.44%	34.53%
					(Continued)

Schedule of the City's Pension Contributions
For the Year Ended September 30, 2024

Firefighters' Retirement System	September 30 2015	September 30 2016	September 30 2017	September 30 2018	September 30 2019
Contractually required contribution	\$ 227,833	\$ 227,895	\$ 212,971	\$ 214,593	\$ 216,216
Contributions in relation to the contractually required contribution	<u>227,833</u>	<u>227,895</u>	<u>212,971</u>	<u>214,593</u>	<u>216,216</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 793,208	\$ 853,016	\$ 834,387	\$ 809,786	\$ 807,535
Contributions as a percentage of covered-employee payroll	28.72%	26.72%	25.52%	26.50%	26.77%

(Continued)

Schedule of the City's Pension Contributions
For the Year Ended September 30, 2024

Firefighters' Retirement System	September 30 2020	September 30 2021	September 30 2022	September 30 2023	September 30 2024
Contractually required contribution	\$ 234,385	\$ 276,567	\$ 353,165	\$ 346,256	\$ 370,372
Contributions in relation to the contractually required contribution	<u>234,385</u>	<u>276,567</u>	<u>353,165</u>	<u>346,256</u>	<u>370,372</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 726,755	\$ 819,459	\$ 1,050,290	\$ 1,039,125	\$ 1,113,902
Contributions as a percentage of covered-employee payroll	32.25%	33.75%	33.75%	33.32%	33.25% (Concluded)

Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended September 30, 2024

	September 30, 2018	September 30, 2019	September 30, 2020	September 30, 2021	September 30, 2022
Total OPEB Liability					
Service cost	\$ 880,476	\$ 703,377	\$ 1,271,527	\$ 448,915	\$ 248,015
Interest on total OPEB liability	576,864	542,463	509,618	334,661	187,522
Changes of benefit terms:					
Difference between expected and actual experience	(1,912,246)	-	(1,083,520)	(5,872,931)	36,881
Change in assumptions	(2,032,395)	4,570,382	(3,563,828)	(913,381)	(2,235,486)
Benefit payments	(209,210)	(202,884)	(203,157)	(317,892)	(335,376)
Net change in total OPEB liability	<u>\$ (2,696,511)</u>	<u>\$ 5,613,338</u>	<u>\$ (3,069,360)</u>	<u>\$ (6,320,628)</u>	<u>\$ (2,098,444)</u>
Total OPEB liability - beginning	<u>\$ 15,071,127</u>	<u>\$ 12,374,616</u>	<u>\$ 17,987,951</u>	<u>\$ 14,918,591</u>	<u>\$ 8,597,963</u>
Total OPEB liability - ending	<u><u>\$ 12,374,616</u></u>	<u><u>\$ 17,987,954</u></u>	<u><u>\$ 14,918,591</u></u>	<u><u>\$ 8,597,963</u></u>	<u><u>\$ 6,499,519</u></u>
Covered payroll	\$ 3,888,523	\$ 4,267,068	\$ 4,788,486	\$ 4,300,882	\$ 4,429,908
Total OPEB liability as a percentage of covered payroll	318.23%	421.55%	311.55%	199.91%	146.72%
Notes to Schedule:					
Benefit Change:	None	None	None	None	None
Changes of Assumptions:					
Discount Rate:	4.18%	2.66%	2.21%	2.15%	4.02%
Mortality:			PUB-2010	RP-2014	RP-2014
Trend:			Variable	4.5% to 5.5%	4.5% to 5.5%
					(Continued)

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended September 30, 2024

	September 30, 2023	September 30, 2024
Total OPEB Liability		
Service cost	\$ 151,959	\$ 164,981
Interest on total OPEB liability	264,335	255,535
Changes of benefit terms:		
Difference between expected and actual experience	(640,135)	288,869
Change in assumptions	109,842	269,376
Benefit payments	(220,220)	(232,332)
Net change in total OPEB liability	<u>\$ (334,219)</u>	<u>\$ 746,429</u>
 Total OPEB liability - beginning	 <u>\$ 6,499,519</u>	 <u>\$ 6,165,300</u>
 Total OPEB liability - ending	 <u><u>\$ 6,165,300</u></u>	 <u><u>\$ 6,911,729</u></u>
 Covered payroll	 \$ 4,900,192	 \$ 5,047,198
 Total OPEB liability as a percentage of covered payroll	 125.82%	 136.94%

Notes to Schedule:

Benefit Change:	None	None
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Changes of Assumptions:

Discount Rate:	4.09%	3.81%
Mortality:	Pub 2010/2021	Pub 2010/2021
Trend:	Getzen Model	Getzen Model

(Concluded)

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

OTHER SUPPLEMENTAL SCHEDULES

City of DeRidder, Louisiana

Non-major Funds

Non-major Funds

Capital Project Fund – The Capital Project Fund is established to account for grant funds along with City matching funds for various capital projects. At the completion of the projects, the new asset will be transferred to fixed assets.

Special Revenue Fund – American Rescue Plan Act Fund (ARPA) accounts for federal grant funds awarded under the Coronavirus State and Local Fiscal Recovery Funds. These funds may be used to support public health expenditures, address negative economic impacts caused by the public health emergency, replace lost public sector revenue, provide premium pay for essential workers, and invest in water, sewer and broadband infrastructure.

Balance Sheet
Non-major Governmental Funds
For the Year Ended September 30, 2024

	Non-major American Rescue Plan Act Fund	Non-major Capital Project Fund	Total Non-major Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 38,048	\$ 5	\$ 38,053
Due from other funds	-	3,752	3,752
Total assets	<u>\$ 38,048</u>	<u>\$ 3,757</u>	<u>\$ 41,805</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Contracts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances:			
Assigned	\$ -	\$ 3,757	\$ 3,757
Restricted	38,048	-	38,048
Total fund balances	<u>\$ 38,048</u>	<u>\$ 3,757</u>	<u>\$ 41,805</u>
Total liabilities and fund balances	<u>\$ 38,048</u>	<u>\$ 3,757</u>	<u>\$ 41,805</u>

Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Fund
For the Year Ended September 30, 2024

	Non-major American Rescue Plan Act Fund	Non-major Capital Project Fund	Total Non-major Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Intergovernmental:			
Federal grants	\$ 2,484	\$ -	\$ 2,484
	<u> </u>	<u> </u>	<u> </u>
Expenditures			
Engineering and administration fees	\$ 1,500	\$ -	\$ 1,500
Construction cost	38,539	-	38,539
Administration fees	290	-	290
Total expenditures	\$ 40,329	\$ -	\$ 40,329
	<u> </u>	<u> </u>	<u> </u>
Net change in fund balances	\$ (37,845)	\$ -	\$ (37,845)
Fund balances at beginning of year	75,893	3,757	79,650
	<u> </u>	<u> </u>	<u> </u>
Fund balances at end of year	\$ 38,048	\$ 3,757	\$ 41,805
	<u> </u>	<u> </u>	<u> </u>

Schedule of Compensation of Board Members
For the Fiscal Year Ended September 30, 2024

Vincent Labue	\$	12,000
Charles (Randy) Larken		10,000
Keith Hooper		12,000
John Marcello		12,000
Wayne Godfrey, Sr.		12,000
Artemese Hickman		10,000
Danny Reynolds		12,000
John Hyde		2,000
Monte Woods		2,000
		<hr/>
	\$	84,000
		<hr/>

Schedule of Compensation, Benefits and
Other Payments to Agency Head
For the Fiscal Year Ended September 30, 2024

Mayor Misty Roberts

Purpose	Amount
Salary	\$ 85,148
Benefits - health insurance	8,698
Benefits - dental insurance	409
Benefits - retirement	11,594
Benefits - deferred compensation	2,200
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

Schedule of Compensation, Benefits and
Other Payments to Agency Head
For the Fiscal Year Ended September 30, 2024

Mayor Charles (Randy) Larken

Purpose	Amount
Salary	\$ 14,368
Benefits - health insurance	948
Benefits - dental insurance	48
Benefits - retirement	1,900
Benefits - deferred compensation	200
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2025

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures(\$)</i>
<i>Highway Safety Cluster-Cluster</i>			
Department of Transportation			
State and Community Highway Safety		Louisiana Highway Safety	
State and Community Highway Safety	20.600	Commission	4,272
Total State and Community Highway Safety			4,272
<i>Total Department of Transportation</i>			4,272
<i>Total Highway Safety Cluster-Cluster</i>			4,272
<i>Other Programs</i>			
Department of Homeland Security			
Disaster Grants-Public Assistance (Presidentially Declared Disasters)			
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036		1,075,498
Total Disaster Grants-Public Assistance (Presidentially Declared Disasters)			1,075,498
<i>Total Department of Homeland Security</i>			1,075,498
Department of Transportation			
Formula Grants For Rural Areas and Tribal Transit Program		Louisiana Department of	
Formula Grants For Rural Areas and Tribal Transit Program	20.509	Transportation	133,008
Total Formula Grants For Rural Areas and Tribal Transit Program			133,008
<i>Total Department of Transportation</i>			133,008

The accompanying notes are an integral part of this schedule.

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2025

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures(\$)</i>
Department of the Treasury			
Coronavirus State and Local Fiscal Recovery Funds			
Coronavirus State and Local Fiscal Recovery Funds	21.027		40,330
Total Coronavirus State and Local Fiscal Recovery Funds			40,330
<i>Total Department of the Treasury</i>			40,330
<i>Total Other Programs</i>			1,248,836
<i>Total Expenditures of Federal Awards</i>			\$ 1,253,108

The accompanying notes are an integral part of this schedule.

City of DeRidder, Louisiana

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

Note A. Scope of Audit

The audit was performed pursuant to the *Single Audit Act of 1996* and the *Uniform Guidance*.

Summary of significant accounting policies:

The Schedule of Expenditures of Federal Awards has been prepared on the full accrual basis of accounting used by the City in preparation of the government wide financial statements that report these awards. The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The preparation of the Schedule of Expenditures of Federal Awards in conformity with accounting principles generally accepted in the United States of America requires management to make certain assumptions that affect the reported amounts of expenditures during the reporting period. Actual results could differ from those estimates.

Note B. Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the City that were received directly from federal agencies or passed through other entities and governmental agencies.

The City has prepared this Schedule of Expenditures of Federal Awards to comply with the provisions of the Uniform Guidance. The Uniform Guidance stipulates that a Schedule of Expenditures of Federal Awards be prepared showing total expenditures of each federal award program as identified in the Catalog of Federal Domestic Assistance (CFDA) and for other federal financial awards that have not been assigned a catalog number.

Note C. Major Federal Awards Program

The City's major federal awards program for the year ended September 30, 2024 was determined based on program activity. The City's major programs for the year ended September 30, 2024 consisted of federally assisted high risk "Type A" programs.

Note D. Subsequent Events

The City is required to evaluate events or transactions that may occur after the schedule of expenditures of federal awards date for potential recognition or disclosure in the notes to the schedule of expenditures of federal awards. The City performed such an evaluation through the date of the opinion, which is the date which the schedule of expenditures of federal awards was available to be issued, and noted no events or transactions that occurred after the schedule of expenditures of federal awards date requiring recognition or disclosure.

Note E. Indirect Cost Rate

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

OTHER REPORTS

Schedule of Prior Year Audit Findings
For the Year Ended September 30, 2024

There were no prior year audit findings as of September 30, 2023.

Schedule of Current Year Audit Findings and Management's Response
For the Year Ended September 30, 2024

There were no current year audit findings as of September 30, 2024.

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2024

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results:

1. An unmodified opinion was issued on the primary government financial statements of the City of DeRidder as of and for the year ended September 30, 2024.
2. The audit disclosed no material weaknesses in internal control.
3. The audit disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.
4. The audit did not disclose any material weaknesses in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit did not disclose findings related to federal awards that are required to be reported in accordance with the Uniform Guidance.
7. The following program was major for the year ended September 30, 2024:

Department of Homeland Security
Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Recovery Funds – CFDA # 97.036
8. \$750,000 was the threshold used to distinguish Type A and Type B programs.
9. The City of DeRidder, Louisiana did not qualify as a low-risk auditee.

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

The Honorable Randy Larken, Mayor
and the Members of the City Council
DeRidder, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of DeRidder, Louisiana as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of DeRidder, Louisiana's basic financial statements, and have issued our report thereon dated March 22, 2025.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

The Honorable Randy Larken, Mayor
and Members of the City Council
DeRidder, Louisiana

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.

A handwritten signature in black ink that reads "John D. Windham, CPA". The signature is written in a cursive, flowing style.

DeRidder, Louisiana
March 22, 2025

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

The Honorable Randy Larken, Mayor
and the Members of the City Council
DeRidder, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of DeRidder, Louisiana's 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 of DeRidder, Louisiana's major federal programs for the year ended September 30, 2024. City of DeRidder, Louisiana'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 of DeRidder, Louisiana 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 programs for the year ended September 30, 2024.

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 of DeRidder, Louisiana 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 of DeRidder, Louisiana's compliance with the compliance requirements referred to above.

Responsibility 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 of DeRidder, Louisiana'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 of DeRidder, Louisiana'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 of DeRidder, Louisiana'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 of DeRidder, Louisiana'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 the City of DeRidder, Louisiana'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 of DeRidder, Louisiana'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.

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 a 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 not 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.

The Honorable Randy Larken, Mayor
and Members of the City Council
DeRidder, Louisiana

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.

A handwritten signature in black ink that reads "John A. Windham, CPA". The signature is written in a cursive, flowing style.

DeRidder, Louisiana
March 22, 2025

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Randy Larken, Mayor
and the Members of the City Council
DeRidder, Louisiana

To the City of DeRidder, Louisiana 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 October 1, 2023 through September 30, 2024. City of DeRidder, Louisiana's management is responsible for those C/C areas identified in the SAUPs.

City of DeRidder, Louisiana has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period October 1, 2023 through September 30, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
 - vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Written policies and procedures obtained and address the functions listed.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
No exceptions noted.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
No exceptions noted.
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
No exceptions noted.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.
No exceptions noted.

3) Bank Reconciliations

- A. 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:

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

No exceptions noted.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

No exceptions noted.

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

No exceptions noted.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

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

No exceptions noted.

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

No exceptions noted.

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

- i. Observe that receipts are sequentially pre-numbered.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- v. Trace the actual deposit per the bank statement to the general ledger.

Examined two random deposit dates for each account, no exceptions noted.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

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

No exceptions noted.

- C. For each location selected under procedure #5A 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
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

No exceptions noted.

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

No exceptions noted.

6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:
 - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions noted.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions noted.

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

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

No exceptions noted.

8) Contracts

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

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
No exceptions noted.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

10) Ethics

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

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

No exceptions noted.

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

The Community Service Director is the City's appointed designee.

11) Debt Service

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

No exceptions noted.

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

No exceptions noted.

12) Fraud Notice

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

Not applicable.

- B. 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.

No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
 - i. Obtain and inspect the 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.
 - ii. 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.
 - iii. 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.

No exceptions noted.

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

No exceptions noted.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- No exceptions noted.*
- B. 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).
- No exceptions noted.*
- C. 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 the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

No exceptions noted.

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

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

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

Windham & Reed CPA, L.L.C.
DeRidder, Louisiana
March 22, 2025