

**BEAUREGARDELECTRIC  
COOPERATIVE, INC.  
DeRidder, Louisiana**

**Financial Statement and  
Report of Independent Auditor**

For the Years Ended December 31, 2024 and 2023

# BEAUREGARD ELECTRIC COOPERATIVE, INC.

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# **BEAUREGARD ELECTRIC COOPERATIVE, INC.**

## **BOARD OF DIRECTORS**

Donald Bush	District No. 1
Ricky Deggs	District No. 2
J. R. Hickman	District No. 3
Alan Dane Slaydon	District No. 4
Joey Rogers	District No. 5
Dan O'Dell	District No. 6
Doug Sommier	District No. 7
Diana Backhaus	District No. 8
Tommy Cryar	District No. 9

## **EXECUTIVE STAFF**

Michael Viator	EVP and General Manager
Kevin Aycock	VP-Engineering
Kay Fox	VP-Marketing
Scott Deshotel	VP-Operations
Kelly Lewis	VP-Finance

# STEVEN M. DEROUEN & ASSOCIATES, LLC

*Certified Public Accountants*

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Member American Institute of  
Certified Public Accountants

Member Louisiana Society of  
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Beauregard Electric Cooperative, Inc.  
DeRidder, Louisiana

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Beauregard Electric Cooperative, Inc. (a nonprofit organization), which comprise the balance sheet as of December 31, 2024 and 2023, and the related statements of revenues and expenses, equities and margins, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Beauregard Electric Cooperative, Inc. as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 Beauregard Electric Cooperative, Inc. and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Beauregard Electric Cooperative, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, including omissions, 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, 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 Beauregard Electric Cooperative, Inc.'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 Beauregard Electric Cooperative, Inc.'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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying 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*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2025, on our consideration of Beauregard Electric Cooperative, Inc.'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 Beauregard Electric Cooperative, Inc.'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 Beauregard Electric Cooperative, Inc.'s internal control over financial reporting and compliance.

Steven M. DeRouen & Associates, LLC

Lake Charles, Louisiana  
March 22, 2025

# **FINANCIAL STATEMENTS**

**BEAUREGARD ELECTRIC COOPERATIVE, INC.**

Balance Sheets

December 31, 2024 and 2023

<b>ASSETS</b>		<u>2024</u>	<u>2023</u>
Utility Plant:			
Electric plant in service, at cost		\$ 294,291,202	\$ 286,281,711
Construction work in progress		10,698,091	36,818,797
Accumulated depreciation		<u>(106,560,171)</u>	<u>(101,756,824)</u>
Net utility plant		<u>198,429,122</u>	<u>221,343,684</u>
Other property and investments:			
Investments in associated organizations		<u>12,440,153</u>	<u>8,139,203</u>
Current assets:			
Cash and cash equivalents		3,585,108	5,534,109
Accounts receivable, less allowance for doubtful accounts of \$106,413 and \$80,211 in 2024 and 2023, respectively		20,393,875	27,394,555
Disaster assistance receivable		24,524,722	13,981,580
Inventories		1,124,216	476,856
Other current assets		<u>725,765</u>	<u>315,997</u>
Total current assets		<u>50,353,686</u>	<u>47,703,097</u>
Deferred charges		<u>(1,404,574)</u>	<u>(2,555,788)</u>
Total assets		<u>\$ 259,818,387</u>	<u>\$ 274,630,196</u>

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

# BEAUREGARD ELECTRIC COOPERATIVE, INC.

## Balance Sheets

December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Capital:		
Memberships	\$ 162,846	\$ 162,435
Patronage	63,875,610	64,301,937
Donated	164,870	164,870
	<u>64,203,326</u>	<u>64,629,242</u>
Total capital		
Long-term debt:		
National Rural Utilities Cooperative Finance Corporation	<u>102,718,521</u>	<u>108,036,786</u>
Current liabilities:		
Accounts payable	11,767,302	16,147,666
Lines of credit	46,733,821	54,123,464
Current portion of long-term debt	5,226,914	4,943,858
Current portion of accumulated provision for postretirement benefits	966,431	849,823
Accrued interest	1,315,558	682,594
Member deposits	5,621,991	5,567,791
Other accrued liabilities	888,929	1,045,467
	<u>72,520,946</u>	<u>83,360,663</u>
Total current liabilities		
Deferred credits and other liabilities:		
Accumulated provision for postretirement benefits	<u>20,375,594</u>	<u>18,603,505</u>
Total deferred credits and other liabilities	<u>20,375,594</u>	<u>18,603,505</u>
Total liabilities	<u>195,615,061</u>	<u>210,000,954</u>
Total liabilities and capital	<u>\$ 259,818,387</u>	<u>\$ 274,630,196</u>

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

**BEAUREGARD ELECTRIC COOPERATIVE, INC.**

Statements of Revenue and Expenses

For The Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating revenue:		
Electricity sales	\$ 156,113,460	\$ 159,459,567
Miscellaneous electric revenue	1,791,436	1,202,857
	<u>157,904,896</u>	<u>160,662,424</u>
Operating expenses:		
Power purchased	122,234,567	124,171,707
Transmission - operation	434,358	268,210
Distribution - operation	6,770,032	6,308,508
Distribution - maintenance	10,592,015	7,909,870
Member accounting and collection expenses	2,136,641	2,412,214
Marketing	189,755	298,423
Administrative and general	6,323,405	5,427,012
Depreciation and amortization	7,872,187	7,630,990
	<u>156,552,960</u>	<u>154,426,934</u>
Total operating expenses		
	<u>1,351,936</u>	<u>6,235,490</u>
Operating margins before interest expense		
Interest expense	<u>6,834,250</u>	<u>5,676,016</u>
Operating margins	<u>(5,482,314)</u>	<u>559,474</u>
Nonoperating margins:		
Capital credits received	4,928,098	924,337
Interest income	76,885	115,187
GOHSEP overpayment refund	-	(797,081)
Disposal of assets	17,374	15,450
Other	33,630	29,681
	<u>5,055,987</u>	<u>287,574</u>
Total nonoperating margins		
Net margins	<u>\$ (426,327)</u>	<u>\$ 847,048</u>

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

**BEAUREGARD ELECTRIC COOPERATIVE, INC.**

Statements of Equities and Margins

For The Years Ended December 31, 2024 and 2023

	<u>Memberships</u>	<u>Patronage Capital</u>	<u>Donated Capital</u>	<u>Total</u>
Balance at December 31, 2022	\$ 161,114	\$ 63,454,889	\$ 164,870	\$ 63,780,873
2023 net margins	-	847,048	-	847,048
Retirement of capital credits	-	-	-	-
Net change in memberships	<u>1,321</u>	<u>-</u>	<u>-</u>	<u>1,321</u>
Balance at December 31, 2023	162,435	64,301,937	164,870	64,629,242
2024 net margins	-	(426,327)	-	(426,327)
Retirement of capital credits	-	-	-	-
Net change in memberships	<u>411</u>	<u>-</u>	<u>-</u>	<u>411</u>
Balance at December 31, 2024	<u>\$ 162,846</u>	<u>\$ 63,875,610</u>	<u>\$ 164,870</u>	<u>\$ 64,203,326</u>

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

**BEAUREGARD ELECTRIC COOPERATIVE, INC.**

Statements of Cash Flows

For The Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Net margins	\$ (426,327)	\$ 847,048
Reconciliation of net margins to net cash provided by operating activities:		
Depreciation and amortization	7,872,187	7,630,990
(Gain) loss on disposition of assets	(17,374)	(15,450)
Change in deferred regulatory charges	(1,151,214)	1,855,654
Change in accumulated provision for postretirement benefits	1,722,089	(692,214)
Changes in current assets and liabilities:		
Accounts receivable	7,000,680	(5,320,239)
Other current assets	(409,768)	623,375
Accounts payable	(3,920,204)	3,532,739
Other accrued liabilities	(61,310)	61,217
Net cash provided (used) by operating activities	<u>10,608,759</u>	<u>8,523,120</u>
Cash flows from investing activities:		
Purchases of property, plant, and equipment	(5,373,383)	(16,529,694)
Change in materials inventory	(647,360)	961,297
Interest cost capitalized to plant	(1,236,529)	(4,465,410)
Change in investments in associated organizations	(4,300,950)	(300,592)
Net cash provided (used) by investment activities	<u>(11,558,222)</u>	<u>(20,334,399)</u>
Cash flows from financing activities:		
Drawdowns and repayment on lines of credit, net	(7,389,643)	(71,867,228)
Change in disaster assistance receivable	11,370,703	67,693,944
Proceeds from issuance of long-term debt	-	25,000,000
Payments on long-term debt	(5,035,209)	(6,208,011)
Change in member deposits	54,200	128,822
Net change in memberships	411	1,321
Net cash provided (used) by financing activities	<u>(999,538)</u>	<u>14,748,848</u>
Net change in cash and cash equivalents	<u>(1,949,001)</u>	<u>2,937,569</u>
Cash and cash equivalents, beginning of year	<u>5,534,109</u>	<u>2,596,540</u>
Cash and cash equivalents, end of year	<u>\$ 3,585,108</u>	<u>\$ 5,534,109</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 7,437,815</u>	<u>\$ 10,801,863</u>

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

# BEAUREGARD ELECTRIC COOPERATIVE, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

### (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Beauregard Electric Cooperative, Inc. (the Cooperative), is a Louisiana non-profit corporation organized to provide electric service at the retail level to residential and commercial accounts in southwest Louisiana. Power delivered at retail is purchased wholesale primarily from Louisiana Generating, LLC. The Cooperative is regulated by the Louisiana Public Service Commission (LPSC). Any revenues earned in excess of costs incurred are allocated to members of the Cooperative and are reflected as patronage capital equity in the balance sheet.

The accounting records of the Cooperative are maintained in accordance with the Rural Utilities Service (RUS) Uniform System of Accounts (USOA). The financial statements and the accompanying notes to the financial statements have been prepared on the basis of U.S. generally accepted accounting principles (GAAP).

#### **Regulatory Accounting**

Due to regulation of its rates by the LPSC, the Cooperative follows regulatory accounting requirements. Regulatory accounting requirements recognize that the ratemaking process can result in differences in the application of generally accepted accounting principles between regulated and non-regulated businesses. Such differences generally involve the accounting period in which various transactions enter into the determination of net margin. Accordingly, certain costs and receipts may be capitalized as a regulatory asset or liability that would otherwise be charged to expenses or revenues. Regulatory assets and liabilities (included in deferred charges and deferred credits) are recorded when it is probable that future rates will permit their recovery and are amortized over their expected recovery period as authorized by the Board of Directors.

#### **Patronage Capital**

In conformity with its bylaws, the Cooperative conducts its operations on a cooperative, nonprofit basis. Annual revenues in excess of the cost of providing service, commonly referred to as net margins, are allocated in the form of "capital credits" to the members' capital accounts on the basis of patronage. Capital credits are returned to members in accordance with the Cooperative's policies and are classified as payable upon Board resolution authorizing retirement.

#### **Utility Plant**

Electric plant is stated at the original cost of construction, which includes the cost of contracted services, direct labor, materials, and overhead items. Contributions from others toward the construction of electric plant are credited to the applicable plant accounts.

When property which represents a retirement unit is replaced or removed, the average cost of such property as determined from the continuing property records is credited to the electric plant and such cost, together with cost of removal less salvage, is charged to the accumulated provision for depreciation.

Depreciation is recorded on the composite basis and is charged to capital and operating accounts at rates adopted by the Board of Directors in conformity with guidelines provided by the Rural Utilities Service. When transmission and distribution units of property are retired, their average cost (specific unit cost for substantially all of the general plant) is removed from utility plant and the cost, less net salvage, is removed from allowances for depreciation.

# BEAUREGARD ELECTRIC COOPERATIVE, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Costs of routine repairs and maintenance that do not improve or extend the useful lives of the related assets, and the replacement and renewal of items determined to be less than units of plant are charged to maintenance as incurred.

Depreciation expense is provided by the straight-line method over the composite rate or a specific unit basis for transportation and power operated equipment as follows:

<u>Classification</u>	<u>Rate</u>
Transmission plant	2.93%
Distribution plant	2.30% to 2.89%
General plant.	
Structures and improvements	2% to 20%
Transportation equipment	10% to 33%
Power operated equipment	12%
Other general plant	5% to 20%

### Valuation of Long-Lived Assets

Management of the Cooperative periodically reviews the net carrying value of its assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset might not be recoverable. These reviews consider the net realizable value of each asset to determine whether an impairment in value has occurred, and whether there is a need for any impairment write-down. Impaired assets are reported at the lower of cost or fair value. At December 31, 2024 and 2023, no assets were considered to be impaired.

### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Cooperative considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

### Investments in Associated Organizations

In the course of its business, the Cooperative has become a member of other cooperative organizations. Such membership required an investment in each cooperative for which the Cooperative periodically receives patronage which can be disbursed or reinvested. These investments are carried at cost adjusted for any reinvested patronage.

# BEAUREGARD ELECTRIC COOPERATIVE, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

### Revenue Recognition

The Cooperative implemented ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, effective January 1, 2019. Topic 606 requires entities to “recognize revenue to depict the transfer of promised goods or services to members in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.” The ASU details a five-step model that should be followed to achieve the core principle.

Revenues from electric service are recognized when services are transferred to the member in an amount equal to what the Cooperative has the right to bill the member because this amount represents the value of services provided to members.

The Cooperative’s primary source of revenue is from retail electric sales sold under tariff rates approved by LPSC and are derived from contracts with members. Performance obligations related to the sale of energy are satisfied as energy is delivered to members. The measurement of energy sales to members is generally based on the reading of their meters. The Cooperative transmits and distributes electric power primarily to retail members in southwestern Louisiana. Energy is provided on demand throughout the month, measured by a meter located at the member’s property. The Cooperative issues monthly bills to members at rates approved by regulators for power and related services provided during the previous billing cycle.

To the extent that deliveries have occurred but a bill has not been issued, the Cooperative records an accrual for energy delivered since the latest billings. The Cooperative calculates the accrual based on meter readings gathered remotely on the last day of the month. The Cooperative has calculated that its unbilled revenue for delivered power usage which has not been billed to members as of December 31, 2024 and 2023 amounted to \$15,576,972 and \$22,128,343, respectively.

The Cooperative does not recognize a separate financing component of its collections from members as contract terms are short-term in nature. The Cooperative presents its revenues net of any excise taxes, sales taxes or fees.

A portion of the members’ billings relates to power cost adjustments. Due to the timing of when the adjustments are actually billed to the member, a cumulative under (overbilled) amount is recorded as an adjustment to electricity sales.

### Accounts Receivable

Accounts receivable are stated at the amount that management of the Cooperative expects to collect from outstanding balances. Management provides for probable uncollectible amounts through an allowance for doubtful accounts. Additions to the allowance for doubtful accounts are based on management’s judgment, considering historical write-offs, review of specific past-due accounts, collections, and current credit conditions. Generally, the Cooperative considers accounts receivable past due after 30 days. Balances which remain outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to the applicable accounts receivable. Payments received on accounts subsequent to being written off are considered a bad debt recovery.

# BEAUREGARD ELECTRIC COOPERATIVE, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

### **Inventories**

Inventories consist primarily of materials and supplies for construction and maintenance of the Cooperative's transmission and distribution system and are stated at lower of average unit cost, as prescribed by RUS. Usable material from plant retirements is returned to inventory at current average cost.

### **Income Taxes**

The Cooperative is exempt from federal income taxes under Section 501 (c) (12) of the Internal Revenue Code. Accordingly, there is no provision for income taxes in the accompanying financial statements.

The Cooperative's Form 990's, Return of Organization Exempt from Income Tax, are subject to examination by the Internal Revenue Service, generally for three (3) years after they are filed.

### **Fair Value Measurements**

ASC Topic 820, Fair Value Measurement and Disclosures, establishes a fair value hierarchy for those assets and liabilities measured at fair value, that distinguishes between assumptions based on market data (observable inputs) and the organization's own assumptions (unobservable inputs). The hierarchy consists of: Level 1 – quoted market prices in active markets for identical instruments; Level 2 – inputs other than Level 1 inputs that are observable; and Level 3 – unobservable inputs developed using estimates and assumptions determined by the organization.

ASC Topic 825, Financial Instruments, permits entities to choose to measure many financial assets and liabilities at fair value. The fair value of a financial instrument is the amount at which these instruments could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. At December 31, 2023 and 2022, there were no assets or liabilities that were measured at fair value on a recurring basis. Certain assets are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis, but subject to fair value adjustments only in certain circumstances (for example, when there is evidence of impairment). The Cooperative had no assets measured at fair value on a nonrecurring basis at December 31, 2024 and 2023.

### **Advertising**

Advertising costs are charged to expense when incurred. Advertising expense was \$189,755 and \$298,423 for the years ended December 31, 2024 and 2023, respectively.

# BEAUREGARD ELECTRIC COOPERATIVE, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

### Use of Estimates

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

### Reclassification of Prior Year Presentation

Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations.

### (2) UTILITY PLANT

Utility plant consisted of the following at December 31, 2024 and 2023:

	2024	2023
Transmission plant	\$ 23,600,121	\$ 23,583,601
Distribution plant	238,725,547	231,417,469
General plant	25,821,926	25,370,891
Intangible plant	6,143,608	5,909,750
Construction work in progress	10,698,091	36,818,797
Total	304,989,293	323,100,508
Accumulated depreciation	(106,560,171)	(101,756,824)
Total utility plant, net	\$ 198,429,122	\$ 221,343,684

Depreciation and amortization expense was \$7,872,187 and \$7,630,990 for the years ended December 31, 2024 and 2023.

### (3) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of the following at December 31, 2024 and 2023:

	2024	2023
Cash on hand	\$ 3,200	\$ 3,200
Cash in bank	3,581,908	5,530,909
	\$ 3,585,108	\$ 5,534,109

# BEAUREGARD ELECTRIC COOPERATIVE, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

### (4) INVESTMENTS IN ASSOCIATED ORGANIZATIONS

The Cooperative has business relationships with various other cooperatives. As a result, the Cooperative holds membership rights in these organizations, which include the right to receive patronage allocations.

Investments in associated organizations consisted of the following at December 31, 2024 and 2023:

	2024	2023
Arkansas Electric Cooperative Corp. - patronage capital	\$ 1,047,555	\$ 457,971
Meridian Cooperative - patronage capital	348,867	326,034
Federated Rural Electric Insurance Exchange - patronage capital	972,301	963,545
1803 Electric Cooperative, Inc.		
Membership	10,000	10,000
Patronage capital	3,528,000	-
CoBank		
Membership	1,000	1,000
Patronage capital	116,398	97,837
Cooperative Finance Corporation (CFC):		
Membership	1,000	1,000
Patronage capital	3,674,775	3,592,105
Capital term certificates (CTC):		
Loan (LTC)	479,250	543,900
Subscriptions (SCTC)	1,292,015	1,292,015
Zero rate (ZTC)	644,905	607,726
Other	324,087	246,070
Total investments in associated organizations	\$12,440,153	\$ 8,139,203

The capital term certificates invested in CFC are unsecured and subordinated. The LTCs bear interest at an annual rate of 3.00% and mature between 2025 and 2030. The SCTCs bear interest at an annual rate of 5.00% and mature between 2070 and 2080. The ZTCs are non-interest bearing and mature between 2026 and 2042.

# BEAUREGARD ELECTRIC COOPERATIVE, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

### (5) ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at December 31, 2024 and 2023:

	2024	2023
Member accounts receivable	\$ 4,823,597	\$ 4,797,381
Unbilled electric revenues	15,576,972	22,128,343
Accounts receivable - other	99,719	549,042
Total	20,500,288	27,474,766
Accumulated provision for uncollectible accounts	(106,413)	(80,211)
Total accounts receivable, net	\$ 20,393,875	\$ 27,394,555

### (6) DISASTER ASSISTANCE RECEIVABLE

In 2020, southwest Louisiana was struck by two hurricanes, Laura and Delta, which caused significant damage to the Cooperative's transmission and distribution plant. The Cooperative has recorded a receivable \$24,524,722 for what it estimates the Federal Emergency Management Agency FEMA via the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) will reimburse the Cooperative for hurricane recovery related to costs through December 31, 2024. Approximately, \$9.077 million of the receivable, once approved by Public Service Commission will be reclassified as a regulatory asset and the amount will be reimbursed from members. Approximately, \$8.3 million once approved or denied by the Public Service Commission will be reclassified and amortized.

### (7) DEFERRED CHARGES

Deferred charges consisted of the following at December 31, 2024 and 2023:

	2024	2023
Unrecognized actuarial (gain) loss on OPEB plan	\$ (1,404,574)	\$ (2,555,788)
Total deferred charges	\$ (1,404,574)	\$ (2,555,788)

Regulatory assets are recorded for expenses that are deferred and will be recovered through rates charged to members in future periods. Such deferrals are made at the discretion of the Cooperative's Board of Directors.

As a result of the Cooperative's other postretirement benefits plan, the unamortized actuarial loss related to the plan is recorded as a regulatory asset. The Cooperative amortizes this asset as determined by the Plan actuary.

# BEAUREGARD ELECTRIC COOPERATIVE, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

### (8) PLEDGED ASSETS, LINE OF CREDIT, AND LONG-TERM DEBT

The Cooperative has entered into various borrowing arrangements to finance plant construction and to provide working capital. As a result of these arrangements, substantially all assets of the Cooperative have been pledged as collateral. The loan agreements include covenant requirements of the Cooperative, including maintenance of a debt service coverage ratio (as defined) of 1.35.

Long-term debt consists of the following:

	2024	2023
Fixed rate notes payable due to CFC in quarterly installments of principle and interest with rates ranging from 3.25%-7.25%, maturing at various dates through February 28, 2053, collateralized by substantially all the assets of the Cooperative	\$ 101,026,488	\$ 105,750,469
Variable rate (5.52309% at December 31, 2024) note payable to Federal Agricultural Mortgage Corporation (Farmer Mac) in semi-annual payments of principal and interest, maturing February 1, 2044, collateralized by substantially all the assets of the Cooperative	6,918,947	7,230,175
Total long-term debt	107,945,435	112,980,644
Less current maturities	(5,226,914)	(4,943,858)
Total long-term debt, less current maturities	\$ 102,718,521	\$ 108,036,786

As of December 31, 2024, annual maturities of long-term debt outstanding for the next five years are as follows:

Year	Annual Principal Payments
2025	\$ 5,226,914
2026	5,362,929
2027	5,351,023
2028	4,787,459
2029	4,710,879
Thereafter	82,506,231
Total	\$ 107,945,435

# BEAUREGARD ELECTRIC COOPERATIVE, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

The Cooperative has available lines of credit totaling \$116,400,000 with CFC carrying interest rates between 5.90%-6.50% at year end. At December 31, 2024, \$35,236,891 was advanced on the line. The Cooperative has a line of credit of \$15,000,000 with CoBank carrying an interest rate of 6.59% at year end. At December 31, 2024, \$11,496,930 was advanced on the line.

### **(9) DEFERRED CREDITS**

The Cooperative participated in a program which allowed the early payback of debt to RUS at a discounted rate. This extinguishment of debt created a gain for the Cooperative, which is reflected as income in equal annual amounts over the life of the new loan.

### **(10) PENSION PLANS**

The Cooperative participates in the National Rural Electric Cooperative (NRECA) Retirement Security Plan (RS Plan), a multiemployer defined benefit pension plan qualified under Section 401 and tax-exempt under Section 501(a) of the Internal Revenue Code. The plan sponsor's Employer Identification Number is 53-0116145 and the Plan Number is 333.

A unique characteristic of a multiemployer plan compared to a single employer plan is that all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers.

The Cooperative's contributions to the RS Plan in 2024 and in 2023 represented less than 5 percent of the total contributions made to the RS Plan by all participating employers. The Cooperative made contributions to the RS Plan of \$1,834,964 in 2024 and \$1,908,680 in 2023. There have been no significant changes that affect the comparability of 2024 and 2023 contributions.

For the RS Plan, a "zone status" determination is not required, and therefore not determined, under the Pension Protection Act (PPA) of 2006. In addition, the accumulated benefit obligations and plan assets are not determined or allocated separately by individual employer.

Because the provisions of the PPA do not apply to the RS Plan, funding improvement plans and surcharges are not applicable. Future contribution requirements are determined each year as part of the actuarial valuation of the plan and may change as a result of plan experience.

Full-time employees are eligible to participate in a 401(k) plan administered by NRECA. Participants can contribute up to 100% of the participants' salary to a maximum of \$23,000.

# BEAUREGARD ELECTRIC COOPERATIVE, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

### (11) POST RETIREMENT BENEFITS OTHER THAN PENSIONS

In addition to providing pension benefits, the Cooperative provides certain medical insurance benefits for retired employees. The Cooperative has adopted SFAS No. 158, *Employer's Accounting for Defined Benefit Pension and Other Postretirement Plans*, which requires the Cooperative to recognize the overfunded or underfunded status of a defined benefit postretirement plan as an asset or liability, respectively, in its balance sheet and recognize changes in that funded status in the year in which the change occurs in other comprehensive income. However, for entities such as the Cooperative that are subject to SFAS No. 71, the net loss, prior service cost, and transition obligation are recorded as a regulatory asset since the Cooperative has historically recovered and currently recovers pension and other postretirement benefits through its electric rates and there is no negative evidence that the existing regulatory treatment will change. If, in the future, the regulatory bodies indicate a change in policy related to the recovery of pension and other postretirement benefit costs, this could cause the regulatory asset to be reclassified as other comprehensive income.

Disclosures for the plan for the years ended December 31, 2024 and 2023, are as follows:

	2024	2023
Accumulated benefit obligation, beginning of year	\$ 19,453,328	\$ 20,145,542
Net actuarial (gain)/loss	1,098,855	(1,511,615)
Service cost	662,716	692,560
Interest cost	1,079,119	965,352
Benefit payments	(904,591)	(838,511)
Accumulated benefit obligation, end of year	\$ 21,389,427	\$ 19,453,328
Funded status:		
Net plan assets	\$ -	\$ -
Net liability recognized	\$ 21,389,427	\$ 19,453,328
Deferred actuarial (gain)/loss, beginning of year	\$ (2,503,432)	\$ (991,817)
Net actuarial (gain)/loss	1,098,855	(1,511,615)
Amortization of actuarial gain/(loss)	-	-
Other	-	-
Deferred actuarial (gain)/loss, end of year	\$ (1,404,577)	\$ (2,503,432)
Net periodic cost:		
Service cost	\$ 662,716	\$ 692,560
Interest cost	1,079,119	965,352
Amortization of actuarial (gain)/loss	-	-
Total	\$ 1,741,835	\$ 1,657,912

# BEAUREGARD ELECTRIC COOPERATIVE, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Estimated future benefit payments for the next ten years are as follows:

Year	Annual Payments
2025	966,431
2026	998,942
2027	1,067,476
2028	1,130,111
2029	1,232,925
2030 to 2034	7,207,597

### Assumptions

The weighted-average rate assumptions used to determine net periodic benefit cost for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
Discount rate	5.55%	5.30%
Health care cost trend for next year	4.99%	5.66%

A one percentage point increase in the health care trend rates would have increased the accumulated benefit obligation at December 31, 2024, by \$2,559,162 and would have increased the service and interest costs for the year ended December 31, 2024, by \$208,404.

### (12) CONTINGENCIES, RISKS, AND UNCERTAINTIES

The Cooperative utilizes a local bank for its cash deposits. Periodically, the Cooperative's deposits exceed the maximum FDIC coverage amounts. Management considers the bank to be financially sound and continues to monitor the bank's financial stability.

The Cooperative maintains insurance coverage through commercial insurance carriers for liability, property damage, and various other types of loss risk. Management is unaware of any claims or lawsuits against the Cooperative that would not be covered by insurance.

Under its wholesale power agreement, the Cooperative is committed to purchase all of its electric power from Louisiana Generating, LLC. The rates for such purchases are subject to review annually and are regulated by LPSC. Future operating results could be materially affected in the event of an interruption of the supply of power from Louisiana Generating, LLC.

# BEAUREGARD ELECTRIC COOPERATIVE, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

### (13) FAIR VALUE OF FINANCIAL INSTRUMENTS

Accounting standards generally accepted in the United States, requires disclosure of fair value information about financial instruments. Many of the Cooperative's financial instruments lack an available market as characterized by a normal exchange between a willing buyer and a willing seller. Accordingly, significant assumptions, estimations, and present value calculations were used for purposes of this disclosure.

The following assumptions were used to estimate fair value of each class of financial instrument for which estimation is practicable:

CFC Capital Term Certificates – It is not practicable to estimate fair value for these financial instruments given the lack of a market and their long holding period.

Cash and Temporary Cash Investments – Valued at its historical cost given the short period to maturity.

Accounts receivable – Valued at its historical cost given the short period to maturity.

Accounts payable – Valued at its historical cost given the short period to maturity.

Long-Term Variable Rate Debt and Lines of Credit – Valued at its historical cost due to the frequency at which these notes re-price.

Long-Term Fixed Rate Debt – Estimated by computing the present value of future debt service payments using currently quoted or offered rates for similar issues of debt (Level 2). The interest rate on the Cooperative's latest financing with CFC (5.95%) was used to determine fair value. These are the only financial instruments of the Cooperative that have a difference in fair value and carrying value.

The carrying value of the Cooperative's fixed rate debt and the estimated fair value are as follows:

	2024	
	Carrying Amount	Fair Value
Fixed rate long-term debt	\$ 98,458,049	\$ 98,458,049

# BEAUREGARD ELECTRIC COOPERATIVE, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

### (14) SUBSEQUENT EVENTS

The Cooperative evaluated its December 31, 2024 financial statements for subsequent events through the date of the audit report, the date the financial statements were available to be issued.

### (15) PUBLIC FUNDS PAID TO AGENCY HEAD

Brian Zelenak, general manager, and Kevin Turner, interim general manager, are considered the agency heads of Beauregard Electric Cooperative for purposes of required disclosures under Louisiana R.S. 24:513(A)(3). Mr. Zelenak and Mr. Turner received no payments of public funds during the years ended December 31, 2024 and 2023.

### (16) RELATED PARTY TRANSACTIONS

Beauregard Electric Cooperative, Inc. is a member of 1803 Electric Cooperative, Inc., which is a not-for-profit generation and transmission electric cooperative which will supply wholesale power and transmission service to its five (5) member distribution cooperatives beginning in 2025. 1803 Electric Cooperative, Inc.'s member distribution cooperatives, will in turn, supply power on a retail basis to their member-owners. On July 27, 2022, the Louisiana Public Service Commission approved the uncontested stipulation in 1803 Electric Cooperative, Inc.'s filing requesting approval of a formula tariff and wholesale contracts with its members. The effect of this approval was that 1803 Electric Cooperative, Inc. began applying the tariff on August 1, 2022 and member cooperatives can recover the costs billed by 1803 Electric Cooperative, Inc. from that date forward in their respective retail power cost adjustment mechanisms. For the years ended December 31, 2024 and 2023, the total amount billed to the Cooperative by 1803 Electric Cooperative, Inc. under the wholesale tariff was \$5,046,495 and \$2,076,997, respectively, which is included in cost of power on the statements of operations. Beauregard Electric Cooperative, Inc. is a guarantor on a \$75,000,000 credit facility that 1803 Electric Cooperative, Inc. has entered into with the National Rural Utilities Cooperative Finance Corporation for the purpose of borrowing money and issuing letters of credit. Each of the five members of 1803 Electric Cooperative, Inc. have secured portions of the credit facility. One board member and the general manager of Beauregard Electric Cooperative, Inc., also a board member of Beauregard 1803 Electric Cooperative, Inc. For the year ended December 31, 2024, Beauregard Electric Cooperative, Inc. owed 1803 Electric Cooperative \$431,076.

# **COMPLIANCE SECTION**

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## **INDEPENDENT AUDITOR'S REPORT REGARDING LOAN FUND EXPENDITURES**

To the Board of Directors  
Beauregard Electric Cooperative, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Beauregard Electric Cooperative, Inc., as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Cooperative's basic financial statements and have issued our report thereon dated March 22, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that the Cooperative failed to comply with the terms, covenants, provisions, or conditions of the Loan Agreements with National Rural Utilities Cooperative Finance Corporation (CFC), insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such compliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Cooperative's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the Agreements, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Board of Directors and management of the Cooperative and CFC and should not be used by anyone other than these specified parties.

*Steven M. DeRouen & Associates, LLC*

Lake Charles, Louisiana  
March 22, 2025

**INFORMATION REQUIRED BY  
*GOVERNMENT AUDITING STANDARDS***

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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*

Board of Directors  
Beauregard Electric Cooperative, Inc.  
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 Beauregard Electric Cooperative, Inc. (a nonprofit organization), which comprise the balance sheet as of December 31, 2024, and the related statements of revenues and expenses, equities and margins, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 22, 2025.

### **Report on Internal Control Over Financial Reporting**

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

## **Report on Compliance and Other Matters**

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

### **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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Steven M. DeRouen & Associates, LLC

Lake Charles, 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**

Board of Directors  
Beauregard Electric Cooperative, Inc.  
DeRidder, Louisiana

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited the Beauregard Electric Cooperative, Inc.'s compliance with the types of compliance requirements identified as subject in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Cooperative's major federal programs for the year ended December 31, 2024. Beauregard Electric Cooperative, Inc.'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 Beauregard Electric Cooperative, Inc. 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 December 31, 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 Beauregard Electric Cooperative, Inc. 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 Beauregard Electric Cooperative, Inc.'s compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

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

*Steven M. DeRouen & Associates, LLC*

Lake Charles, Louisiana  
March 22, 2025

**Beauregard Electric Cooperative, Inc.  
DeRidder, Louisiana**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Section I – Summary of Auditor’s Results  
December 31, 2024**

Financial Statements

Type of auditor’s report issued				Unmodified
Internal control over financial reporting:				
Material weaknesses identified?	___	Yes	_X_	No
Significant deficiencies identified not considered to be material weaknesses?	___	Yes	_X_	None reported
Noncompliance material to financial statements noted?	___	Yes	_X_	No

Federal Awards

Internal control over major programs:				
Material weaknesses identified?	___	Yes	_X_	No
Significant deficiencies identified not considered to be material weaknesses?	___	Yes	_X_	None reported
Type of auditor’s report issued on compliance for major programs:				Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	___	Yes	_X_	No

Identification of major programs:

<u>Assistance</u> <u>Listing Number</u>	<u>Name of Federal Program or Cluster</u>
97.036	Passed through the Louisiana Office of Homeland Security and Emergency Preparedness  Department of Homeland Security Disaster Grants – Public Assistance (Presidentially Declared Disasters)

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

Auditee qualified as low-risk auditee? \_\_\_ Yes    \_X\_ No

**BEAUREGARD ELECTRIC COOPERATIVE, INC.**  
**DeRidder, Louisiana**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2024**

<u>Program Title</u>	<u>Assistance Listing Number</u>	<u>Program Receipts</u>	<u>Program Expenses</u>
U. S. Department of Homeland Security Passed through: Louisiana Department of Homeland Security	97.036	<u>4,821,540</u>	<u>4,821,540</u>
Total federal assistance		<u>\$ 4,821,540</u>	<u>\$ 4,821,540</u>

\* Denotes major program

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Beauregard Electric Cooperative, Inc., and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements contained by Title 2 of *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Certain costs have been allocated to the federal program in accordance with OMB Circular A-122, *Cost Principles of Non-Profit Organizations*. The amounts presented in this schedule do not differ from the amounts presented in, or used in the preparation of the financial statements

The Organization has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Beauregard Electric Cooperative, Inc. 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 January 1, 2024 through December 31, 2024. Beauregard Electric Cooperative, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

Beauregard Electric Cooperative, Inc. 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 January 1, 2024 through December 31, 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(s) rate 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, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- 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.

*Were any exceptions found? - No*

*We performed the Information Technology Disaster Recovery/Business Continuity procedure (LXI) and discussed the results with management.*

## **2) Board or Finance Committee**

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

*Were any exceptions found? - No*

## **3) Bank Reconciliations**

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

- 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.

*Were any exceptions found? – Yes*

*3 A. ii Bank reconciliations have not been reviewed by a member of management who does not post ledgers. Also, there is no documentation of whom the preparer of the bank reconciliation was and the date the bank reconciliation was prepared.*

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

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- 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 (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - i. Employees responsible for cash collections do not share cash drawers/registers.
  - ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
  - iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
- 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). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - 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 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.

*These procedures are not applicable to the public funds administered by this non-profit organization.*

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

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- 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 #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, 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/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.
  - 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.]

- C. For each location selected under #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 deliverables included on the invoice were received by the entity.
  - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B, as applicable.
- 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.*

*Were any exceptions found? – N/A*

*The Non-Payroll Disbursements items were subject to testing under the Allowable Costs and Procurement in the OMB Compliance Supplement (Uniform Guidance).*

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

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- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- 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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality), these instances should not be reported.]
  - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should

describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

*These procedures are not applicable to the public funds administered by this non-profit organization.*

### **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, 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 the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - ii. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - iii. Observe 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 each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*These procedures are not applicable to the public funds administered by this non-profit organization.*

### **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. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:
- 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 the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

- 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 the invoice and related payment agreed to the terms and conditions of the contract.

*These procedures are not applicable to the public funds administered by this non-profit organization*

### **9) Payroll and Personnel**

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- 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.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:
  - i. Observe 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 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 agree to the authorized salary/pay rate found within the personnel file.
- 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, 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 officials' cumulative leave records, agree the pay rates to the employee's or officials' authorized pay rates in the employee's or officials' personnel files, and agree the termination payment to entity policy.
- 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.

*These procedures are not applicable to the public funds administered by this non-profit organization.*

## ***10) Ethics***

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- 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 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 each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

*These procedures are not applicable to this non-profit organization.*

## ***11) Debt Service***

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- 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 State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- 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).

*These procedures are not applicable to this non-profit organization.*

## ***12) Fraud Notice***

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- 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.
- B. Observe 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.

*Were any exceptions found? – No*

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

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- 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, 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.
- 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.

*We performed the Information Technology Disaster Recovery/Business Continuity procedures and discussed the results with management.*

### ***14) Prevention Sexual Harassment***

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

- B. Observe that the 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).
- 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.

*These procedures are not applicable to this non-profit organization.*

**Management's Response:**

**3) A iii – The entity will have the preparer of the bank reconciliation initial and date the bank reconciliation.**

We were engaged by Beauregard Electric Cooperative, Inc. 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 Beauregard Electric Cooperative, Inc. 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.

*Steven M DeRouen & Associates LLC*

Lake Charles, Louisiana  
March 22, 2025